

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: Fee	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Slate River Resources, LLC			9. WELL NAME and NUMBER: Mustang 1320-14D	
3. ADDRESS OF OPERATOR: 418 East Main CITY Vernal STATE UT ZIP 84078			PHONE NUMBER: (435) 781-1871	10. FIELD AND POOL, OR WILDCAT: <del>Undesignated</del> Wildcat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 570' FNL & 589' FWL AT PROPOSED PRODUCING ZONE: same as above			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 14 13S 20E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 72.6 miles south of Vernal, UT.			12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 570'	16. NUMBER OF ACRES IN LEASE: 640		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2,500'	19. PROPOSED DEPTH: 8,000		20. BOND DESCRIPTION: B-001556	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6,076' GR	22. APPROXIMATE DATE WORK WILL START: 12/1/2005		23. ESTIMATED DURATION: 30 Days	

24. PROPOSED CASING AND CEMENTING PROGRAM								
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4	9 5/8	H-40	32#	2,000	CEMENT "V"	180 SKS	3.82 CF	15.8 PPG
					CEMENT "G"	225 SKS	1.15 CF	15.8 PPG
7 7/8	4 1/2	M-80	11.6#	8,000	PREMIUM CEMENT	140 SKS	3.82 CF	11.0 PPG
					CLASS "G"	580 SKS	1.26 CF	14.15 PPG

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

CONFIDENTIAL

NAME (PLEASE PRINT) Ginger Stringham TITLE Agent  
SIGNATURE Ginger Stringham DATE 10/17/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-047-37294

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 11-30-05

By: [Signature]

RECEIVED

OCT 20 2005

DIV. OF OIL, GAS & MINING

**T13S, R20E, S.L.B.&M.**

**SLATE RIVER RESOURCES, LLC**

Set Marked Stone,  
Pile of Stones

S89°54'W 79.70 (G.L.O.)

N89°55'48"W 2625.98' (Meas)

S89°39'42"W 2600.58' (Meas)

Set Marked Stone,  
Pile of Stones

Set Marked Stone,  
Pile of Stones

WELL LOCATION, MUSTANG 1320-14D,  
LOCATED AS SHOWN IN THE NW 1/4  
NW 1/4 OF SECTION 14, T13S, R20E,  
S.L.B.&M. UINTAH COUNTY, UTAH.

N00°01'W (G.L.O.)  
5286.34' (Measured)  
N00°22'55"W (Basis of Bearings)

**WELL LOCATION:  
MUSTANG 1320-14D**

ELEV. UNGRADED GROUND = 6077.9'

**14**

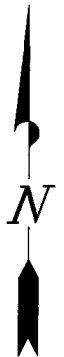
1/4 Corner  
Missing

Set Marked Stone,  
Pile of Stones

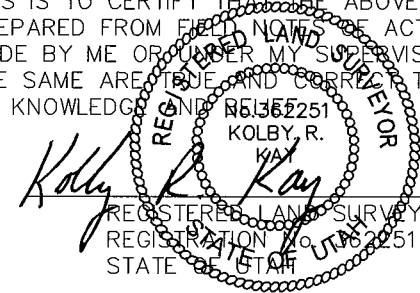
N00°01'W (G.L.O.)

NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS  
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS  
MADE BY ME OR UNDER MY SUPERVISION AND THAT  
THE SAME ARE TRUE AND CORRECT TO THE BEST OF  
MY KNOWLEDGE AND BELIEF.



S89°56'W - 79.74 (G.L.O.)

▲ = SECTION CORNERS LOCATED

BASIS OF ELEVATION IS BENCH MARK 66 WF 1952  
LOCATED IN THE NE 1/4 OF SECTION 6, T13S, R21E,  
S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS  
MARKED ON THE AGENCY DRAW NE 7.5 MIN.  
QUADRANGLE AS BEING 5812'.

**MUSTANG 1320-14D**  
(Proposed Well Head)  
NAD 83 Autonomous  
LATITUDE = 39° 41' 31.6"  
LONGITUDE = 109° 39' 12.0"

**TIMBERLINE LAND SURVEYING, INC.**

38 WEST 100 NORTH. - VERNAL, UTAH 84078  
(435) 789-1365

DATE SURVEYED: 9-16-05	SURVEYED BY: K.R.K.	<b>SHEET 2 OF 10</b>
DATE DRAWN: 9-23-05	DRAWN BY: C.B.T.	
SCALE: 1" = 1000'	Date Last Revised:	

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: Fee Leases, see attached

LEASE NUMBER: Fee, no numbers assigned

and hereby designates

NAME: Ginger Stringham, Paradigm Consulting Inc.

ADDRESS: PO Box 790203

city Vernal state UT zip 84078

as his (check one) agent ☒ / operator ☐, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)

Fee leases, see attached

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: 03/01/2005

BY: (Name) J.T. Conley  
(Signature) *J.T. Conley*  
(Title) VP Operations  
(Phone) (435) 781-1871

OF: (Company) Slate River Resources, LLC  
(Address) 418 East Main  
city Vernal  
state UT zip 84078

UT10001.000

Eagle Minerals Ltd. Oil and Gas Lease

Dated February 1, 2005

Recorded Book 914, Page 535 Uintah County, Utah

**DESCRIPTION OF LEASED PREMISES:**

TOWNSHIP 12 SOUTH, RANGE 20 EAST, S.L.M.

Section 21:	All (640.00 acres)	Serial Number: 10:079:0001
Section 22:	All (640.00 acres)	Serial Number: 10:080:0001
Section 23:	All (640.00 acres)	Serial Number: 10:081:0001
Section 24:	W/2 (320.00 acres)	Serial Number: 10:082:0001
Section 25:	W/2 (320.00 acres)	Serial Number: 10:083:0001
Section 26:	All (640.00 acres)	Serial Number: 10:084:0001
Section 27:	All (640.00 acres)	Serial Number: 10:085:0001
Section 28:	All (640.00 acres)	Serial Number: 10:086:0001
Section 29:	All (640.00 acres)	Serial Number: 10:087:0001
Section 35:	All (640.00 acres)	Serial Number: 10:089:0001

TOWNSHIP 12 SOUTH, RANGE 21 EAST, S.L.M.

Section 31:	Lots 3, 4, E/2SW/4 (SW/4) (149.66 acres)	Serial Number: 10:093:0002
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TOWNSHIP 13 SOUTH, RANGE 20 EAST, S.L.M.

Section 1:	Lots 1,2,3,4, S/2N/2, S/2 (All) (640.24 acres)	Serial Number: 11:004:0001
Section 3:	Lots 1,2,3,4, S/2N/2, S/2 (All) (641.80 acres)	Serial Number: 11:005:0001
Section 4:	Lots 1,2,3,4, S/2N/2, S/2 (All) (642.00 acres)	Serial Number: 11:006:0001
Section 5:	Lots 1,2,3,4, S/2N/2, S/2 (All) (641.40 acres)	Serial Number: 11:007:0001
Section 6:	Lots 1,2,3,8,10,11,13, S/2 NE/4, SE/4NW/4, E/2SW/4, SE/4 (585.52 acres)	Serial Number: 11:008:0001
Section 7:	Lots 2,3,4,5, E/2W/2, E/2 (All) (636.15 acres)	Serial Number: 11:009:0001
Section 8:	All (640 acres)	Serial Number: 11:010:0001
Section 9:	All (640 acres)	Serial Number: 11:011:0001
Section 10:	All (640 acres)	Serial Number: 11:012:0001
Section 11:	All (640 acres)	Serial Number: 11:013:0001
Section 12:	All (640 acres)	Serial Number: 11:014:0001
Section 13:	All (640 acres)	Serial Number: 11:015:0001
Section 14:	All (640 acres)	Serial Number: 11:016:0001
Section 15:	E/2 (320 acres)	Serial Number: 11:017:0001
Section 22:	E/2 (320 acres)	Serial Number: 11:018:0001
Section 23:	All (640 acres)	Serial Number: 11:019:0001
Section 24:	All (640 acres)	Serial Number: 11:020:0001
Section 25:	All (640 acres)	Serial Number: 11:021:0001
Section 26:	All (640 acres)	Serial Number: 11:022:0001
Section 27:	NE/4 (160 acres)	Serial Number: 11:023:0001

TOWNSHIP 13 SOUTH, RANGE 21 EAST, S.L.M.

Section 6:	Lots 3,4,5,6,7, SE/4NW/4, E/2SW/4 (W/2) (299.60 acres)	Serial Number: 11:026:0002
Section 7:	Lots 1,2,3,4, E/2W/2 (W/2) (300.28 acres)	Serial Number: 11:027:0002
Section 18:	Lots 1,2,3,4, E/2W/2 (W/2) (301.64 acres)	Serial Number: 11:033:0001
Section 19:	Lots 1,2,3,4, E/2W/2 (W/2) (303.44 acres)	Serial Number: 11:034:0001
Section 30:	Lots 1,2,3,4, E/2W/2 (W/2) (304.80 acres)	Serial Number: 11:038:0001
Section 31:	Lots 1,2, E/2NW/4 (NW/4) (153.27 acres)	Serial Number: 11:039:0001

UINTAH COUNTY, UTAH  
containing a total of 19,199.80 acres, more or less

**UT10002.000**

**Uintah Oil Association Oil & Gas Lease**

**Dated September 15, 2004**

**Recorded Book 904, Page 1 Uintah County, Utah**

**Description of Leased Premises**

Township 12 South, Range 21 East

Sec 31: SE/4

Sec 32: S/2

Township 13 South, Range 21 East

Sec 5: Lots 2,3,4, S/2NW/4, SW/4NE/4, SW/4, W/2SE/4

Sec 6: Lots 1,2, S/2NE/4, SE/4

Sec 7: E/2

Sec 8: W/2, W/2NE/4, NW/4SE/4

Uintah County, Utah

2,038.96 acres

**UT10003.000**

**Utah Oil Shales, Inc. Oil & Gas Lease**

**Dated September 15, 2004**

**Recorded Book 904, Page 9 Uintah County, Utah**

**Description of Leased Premises**

Township 13 South, Range 21 East

Sec 4: Lots 1,2,3,4, S/2N/2, S/2

Sec 5: Lot 1, SE/4NE/4, E/2SE/4

Sec 8: E/2E/2, SW/4SE/4

Sec 9: All

Sec 16: W/2

Sec 17: E/2

Uintah County, Utah

2,278.69 acres

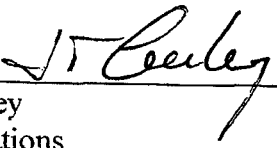
AFFIDAVIT OF SURFACE OWNER USE AGREEMENT

Slate River Resources, LLC has in place, agreements with the surface owners of the following leases. Slate River Resources, LLC is the operator and makes this certification that the agreements provide for management of the Fee surface lands under development.

**Eagle Minerals Ltd. Oil and Gas Lease**

**Uintah Oil Association Oil & Gas Lease**

**Utah Oil Shales, Inc. Oil & Gas Lease**

  
\_\_\_\_\_  
J.T. Conley  
VP Operations  
Slate River Resources, LLC  
418 East Main  
Vernal, UT 84078  
435-781-1871

## **Ten Point Plan**

**Slate River Resources, LLC**

**Mustang 1320-14D**

**Section 14, Township 13 South, Range 20 East, NW ¼ NW ¼**

### **1. Surface Formation**

Green River

### **2. Estimated Formation Tops and Datum:**

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	6,076' G.R.
Wasatch	2370'	3,706'
Mesaverde	4870'	1,206'
Castlegate	6850'	-774'
Mancos	7500'	-1,424'
TD	8000'	-1,924'

A 12 ¼ hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

### **3. Producing Formation Depth:**

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information (Wells within a one-mile radius)

#### **Drilling/Permitted:**

Mustang 1320-15B

Mustang 1320-10I

#### 4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/FT</u>	<u>Grade</u>	<u>Coupling &amp; Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
12 ¼	9 5/8	32#	H-40	ST&C	2000	NEW
7 7/8	4 ½	11.6#	M-80	LT&C	T.D.	NEW

#### Cement Program:

The Surface Casing will be cemented to the Surface as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	9 5/8	Cement "V" Gel 16% BWOC Gilsonite 10#/sk Salt 3% BWOC GR-3 3#/sk Flocele ¼#/sk	180 sks +/-	3.82 ft³/sk	15.8 ppg
Tail:	9 5/8	Cement "G" Calcium Chloride 2% BWOC Flocele ¼ #/sk 0.1% R-3 2% Bentonite	225 sks. +/-	1.15 ft³/sk	15.8 ppg
Top Out:	9 5/8	Cement "G" Calcium Chloride 3%BWOC Flocele ¼ #/sk	100 sks +/-	1.15 ft³/sk	15.8 ppg

Production casing will be cemented to 2,000' or higher as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:					
	4 1/2	Premium Cement 100% Gel 16% BWOC Salt 3% BWOC Gilsonite 10#/sk Flocele 1/4 #/sk GR-3 3#/sk	140 sks +/-	3.82ft <sup>3</sup> /sk	11.0 ppg
Tail:					
	4 1/2	Class "G" 50% POZ 50% Gel 2% BWOC Salt 10%BWOC Dispersant .2% BWOC Fluid loss .3% Flocele 1/4 #/sk	580 sks +/-	1.26ft <sup>3</sup> /sk	14.15 ppg

## 5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3600 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

## 6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./OT.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-2000	Air/Mist	-----	No Control	Air/Air mist
2000-T.D.	8.4-12.0	30	8-10	Water/Gel

## **7. Auxiliary Equipment**

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

## **8. Testing, Coring, Sampling and Logging:**

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 25' from 2000' to T.D.
- d) Logging: 

Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

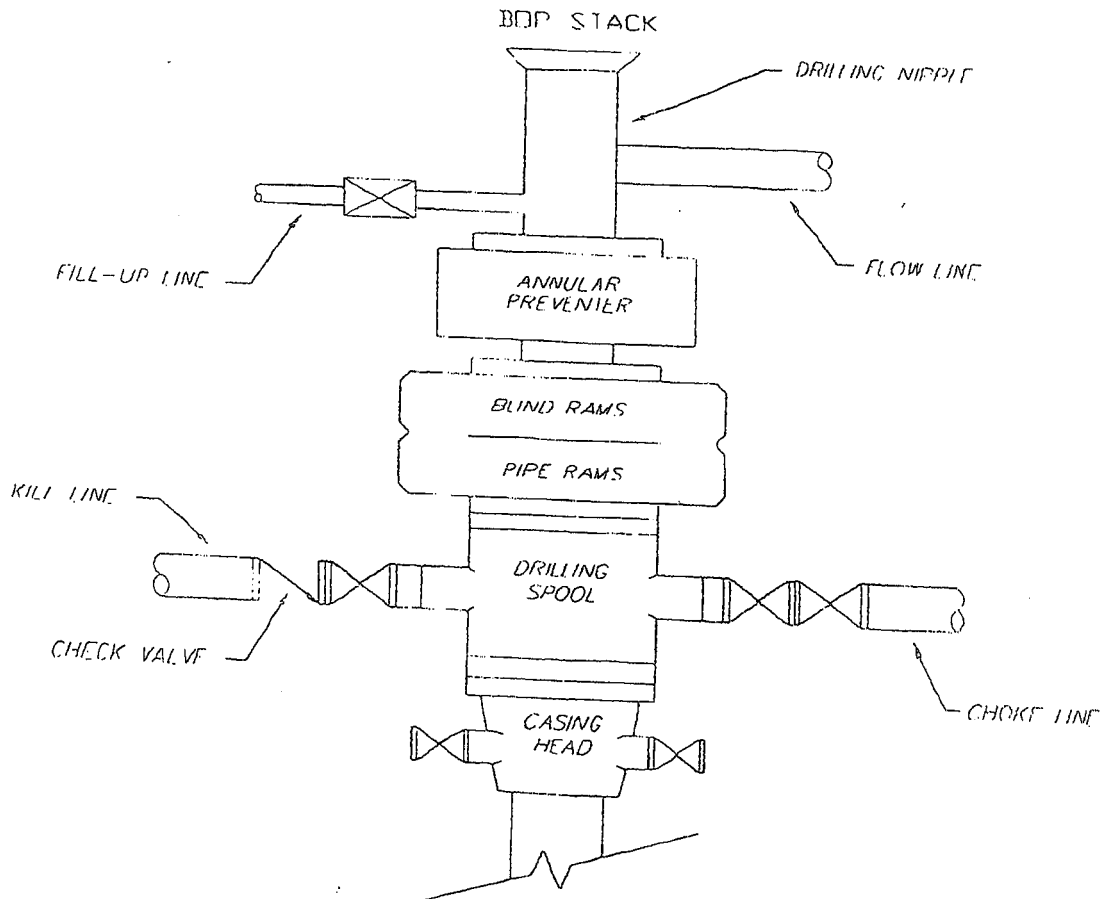
## **9. Abnormalities (including sour gas):**

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H<sub>2</sub>S.

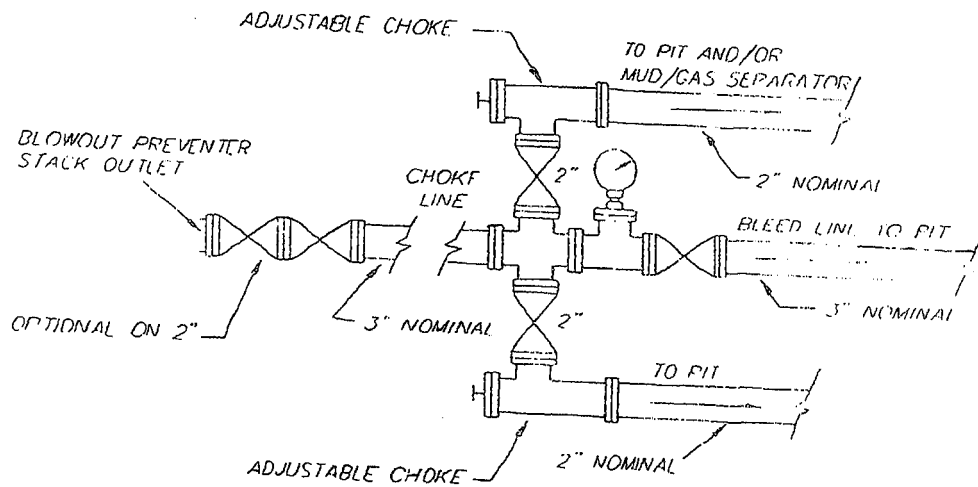
## **10. Drilling Schedule:**

The anticipated starting date is December 1, 2005. Duration of operations is expected to be 30 days.

TYPICAL 3,000 p.s.i.  
BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i.  
CHOKER MANIFOLD SCHEMATIC



**SLATE RIVER RESOURCES, LLC**

**13 POINT SURFACE USE PLAN**

**FOR WELL**

**MUSTANG 1320-14D**

**LOCATED IN NW  $\frac{1}{4}$  NW  $\frac{1}{4}$**

**SECTION 14, T.13S, R20E, S.L.B.&M.**

**UINTAH COUNTY, UTAH**

**LEASE NUMBER: FEE**

**SURFACE OWNERSHIP: FEE**

1. Existing Roads:

SLATE RIVER RESOURCES, LLC  
Mustang 1320-14D  
Section 14, T13S, R20E, S.L.B.&M.  
570' FNL & 589' FWL

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 17 MILES TO OURAY, UTAH; FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 29.4 MILES TO ITS INTERSECTION WITH THE BUCK CANYON ROAD (COUNTY B ROAD 5460); EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG THE BUCK CANYON ROAD APPROXIMATELY 3.2 MILES TO WILLOW CREEK; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE WILLOW CREEK ROAD (COUNTY B ROAD 5120) APPROXIMATELY 2.1 MILES TO ITS INTERSECTION WITH THE AGENCY DRAW ROAD (COUNTY B ROAD 5340); EXIT LEFT AND PROCEED IN A WESTERLY THEN SOUTHWESTERLY DIRECTION ALONG THE AGENCY DRAW ROAD APPROXIMATELY 6.2 MILES TO ITS INTERSECTION WITH A COUNTY D ROAD; EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG THE COUNTY D ROAD APPROXIMATELY 0.6 MILES TO THE PROPOSED ACCESS ROAD; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 640 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 72.6 MILES

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

**The proposed access road will be approximately 640' +/- of new construction on lease. The road will be graded once per year minimum and maintained.**

A) Approximate length	640 ft
B) Right-of-Way width	30 ft
C) Running surface	18 ft
D) Surface material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road Flagged	Yes
K) Access road surface ownership	Fee
L) All new construction on lease	Yes
M) Pipe line crossing	No

Please see the attached location plat for additional details.

**An off lease Right-of-Way will not be required.**

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

A) Producing well	None
B) Water well	None
C) Abandoned well	None
D) Temp. abandoned well	None
E) Disposal well	None
F) Drilling /Permitted well	
Mustang 1320-10I	
Mustang 1320-14B	
G) Shut in wells	None
H) Injection well	None
I) Monitoring or observation well	None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Carlsbad Canyon or Olive Green** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

**Approximately 3,685' +/- of 3" steel surface pipeline would be constructed on Private Lands. The line would tie into the proposed pipeline in Section 10, T13S, R20E. The line will be strung and boomed to the west and north of the location and will follow access roads. The line will be buried at road crossing.**

**An off lease Right-of-Way will not be required.**

Please see the attached location diagrams for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at

least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

**Water for drilling and cementing will come from Willow Creek Permit # - T75377.**

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **10 ft.** deep and most of the depth shall be below the surface of the existing ground Please see the attached plat for details. The reserve pit will be lined. The reserve pit will be used to store water for drilling. A semi-closed

system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 120 days after initial production. During the 120-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

- A) Pad length                    340 ft
- B) Pad width                    270 ft
- C) Pit depth                    10 ft
- D) Pit length                   160 ft
- E) Pit width                    80 ft
- F) Max cut                    24.7 ft
- G) Max fill                    15.3 ft
- H) Total cut yds. 13,720 cu yds
- I) Pit location                South end
- J) Top soil location  
                                 East and South ends
- K) Access road location  
                                 West end
- L) Flare Pit                    corner C

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented

and/or braced in such a manner to keep the fence tight at all times.

- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately **1,490** cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 120 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified. And left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

**To be determined by surface owner or will reflect the native vegetation.**

11. Surface ownership:

<b>Access road</b>	<b>Fee</b>
<b>Location</b>	<b>Fee</b>
<b>Pipe line</b>	<b>Fee</b>

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of Sagebrush. Rabbit brush, Bitter Brush, and Indian Rice grass are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations, which would affect such sites, will be suspended and the discovery reported promptly to the surface owner.

D) Water:

The nearest water is Willow Creek located approximately 6 miles to the East.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

- a) Location Construction  
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion  
Prior to moving on the drilling rig.
- c) Spud notice  
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing  
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests  
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice  
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

The flare pit will be located in **corner C** of the reserve pit out side the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative(s)

JT Conley  
Slate River Resources, LLC  
418 East Main ST  
Vernal, UT 84078

Office 435-781-1871  
Fax 435-781-1875

Ginger P Stringham, Agent  
Paradigm Consulting, INC  
PO BOX 790203  
Vernal, UT 84079

Office 435-789-4162  
Cell 435-790-4163

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

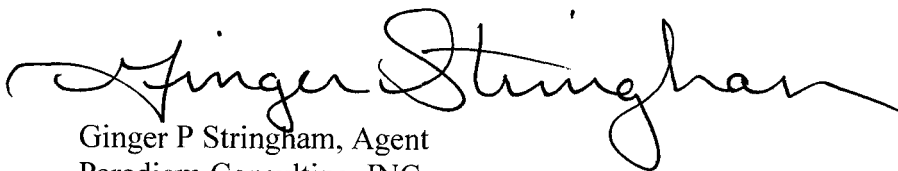
This drilling permit will be valid for a period of one year from the date of approval. After permit

termination, a new application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by Slate River Resources, LLC and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date 10-17-05

A handwritten signature in black ink, reading "Ginger Stringham". The signature is fluid and cursive, with a large, stylized "G" and "S".

Ginger P Stringham, Agent  
Paradigm Consulting, INC

**Onsite Dates:**

### **Statement of use of Hazardous Materials**

No chemical(s) from the EPA's consolidated list of Chemicals Subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

Ginger Stringham  
Agent for Slate River Resources, LLC  
Paradigm Consulting, INC  
PO BOX 790203  
Vernal, UT 84079

435-790-4163 Office  
435-789-0255 Fax



PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHEASTERLY

## SLATE RIVER RESOURCES, LLC

**Mustang 1320-14D**  
**SECTION 14, T13S, R20E, S.L.B.&M.**  
**570' FNL & 589' FWL**

### LOCATION PHOTOS

TAKEN BY: B.J.S.

DRAWN BY: M.W.W.

DATE TAKEN: 09-16-05

DATE DRAWN: 09-28-05

REVISED:

**Timberline Land Surveying, Inc.**

38 West 100 North Vernal, Utah 84078  
 (435) 789-1365

**SHEET**  
**1**  
**OF 10**

CUT SHEET  
MUSTANG 1320-14D

PROPOSED ACCESS  
ROAD

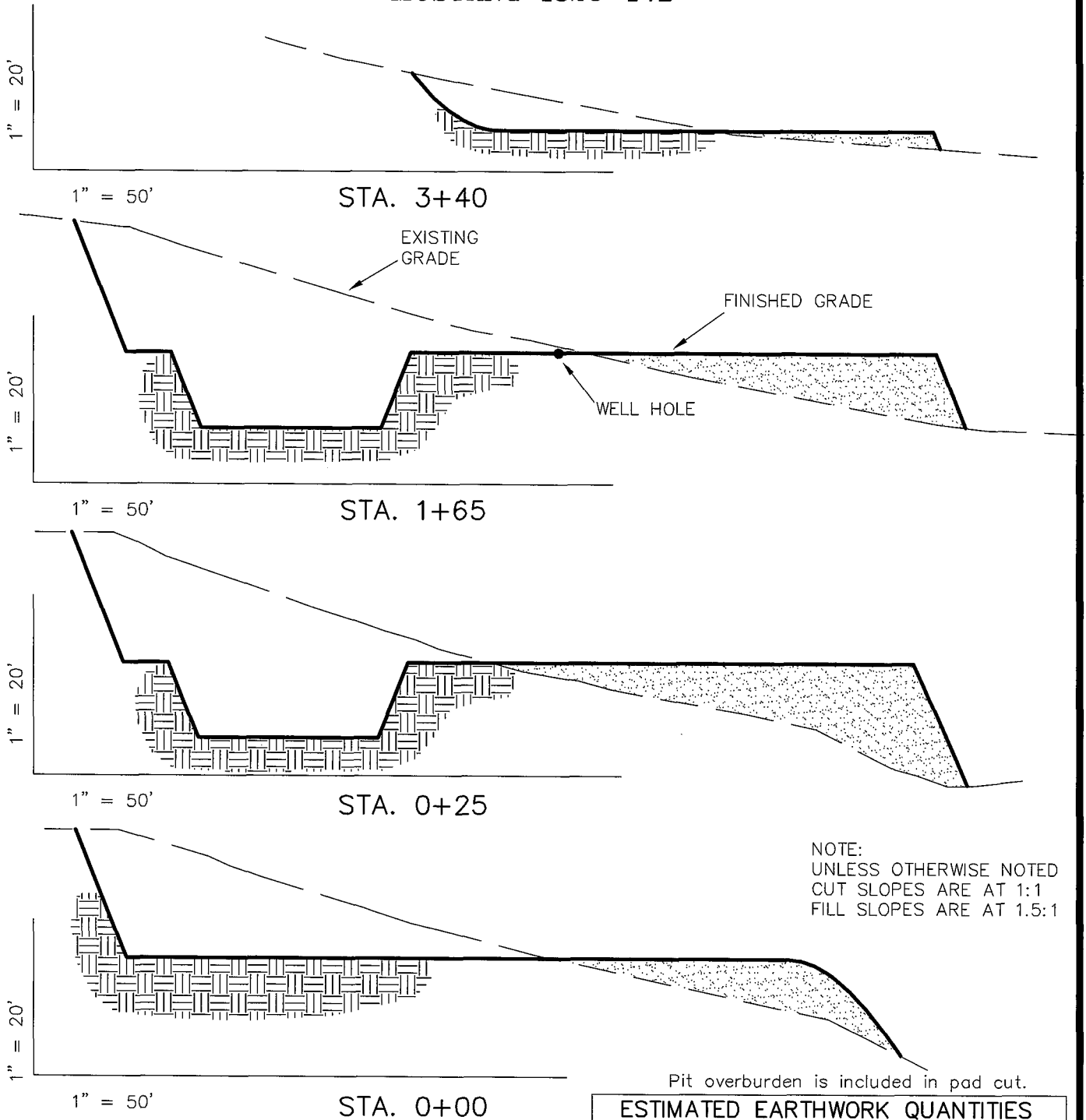


SHEET  
3  
OF 10

38 WEST 100 NORTH VERNAL, UTAH 84078

# SLATE RIVER RESOURCES, LLC

## CROSS SECTIONS MUSTANG 1320-14D



### REFERENCE POINTS

185' Northeasterly 6065.7'  
 235' Northeasterly 6066.2'  
 225' Northwesterly 6082.5'  
 275' Northwesterly 6083.7'

### ESTIMATED EARTHWORK QUANTITIES (No shrink or swell adjustments have been used) (Expressed in Cubic Yards)

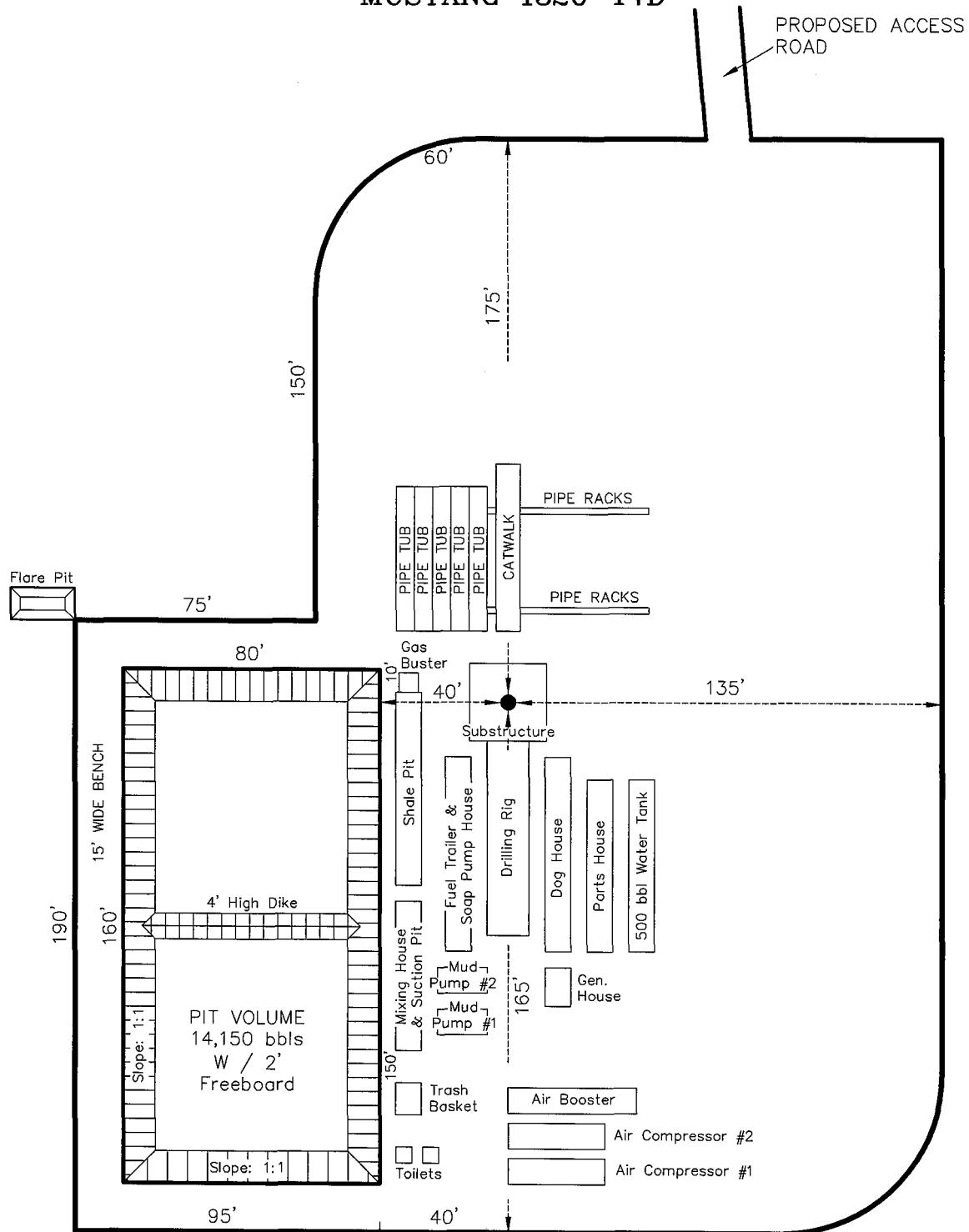
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	9,870	8,990	Topsoil is not included in Pad Cut	880
PIT	3,850	0		3,850
TOTALS	13,720	8,990	1,490	4,730

Excess Material after Pit Rehabilitation = 2,800 Cu. Yds.

Section 14, T13S, R20E, S.L.B.&M.		Qtr/Qtr Location: NW NW		Footage Location: 570' FNL 589' FWL	
Date Surveyed: 9-16-05	Date Drawn: 9-23-05	Date Last Revision:	<i>Timberline</i> (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078		SHEET 4 OF 10
Surveyed By: B.J.S.	Drawn By: C.B.T.	Scale: 1" = 50'			

# SLATE RIVER RESOURCES, LLC

## TYPICAL RIG LAYOUT MUSTANG 1320-14D



Section 14, T13S, R20E, S.L.B.&M.

Qtr/Qtr Location: NW NW

Footage Location: 570' FNL 589' FWL

Date Surveyed:  
9-16-05

Date Drawn:  
9-23-05

Date Last Revision:

**Timberline** (435) 789-1365  
**Land Surveying, Inc.**

**SHEET**

Surveyed By: B.J.S.

Drawn By: C.B.T.

Scale: 1" = 50'

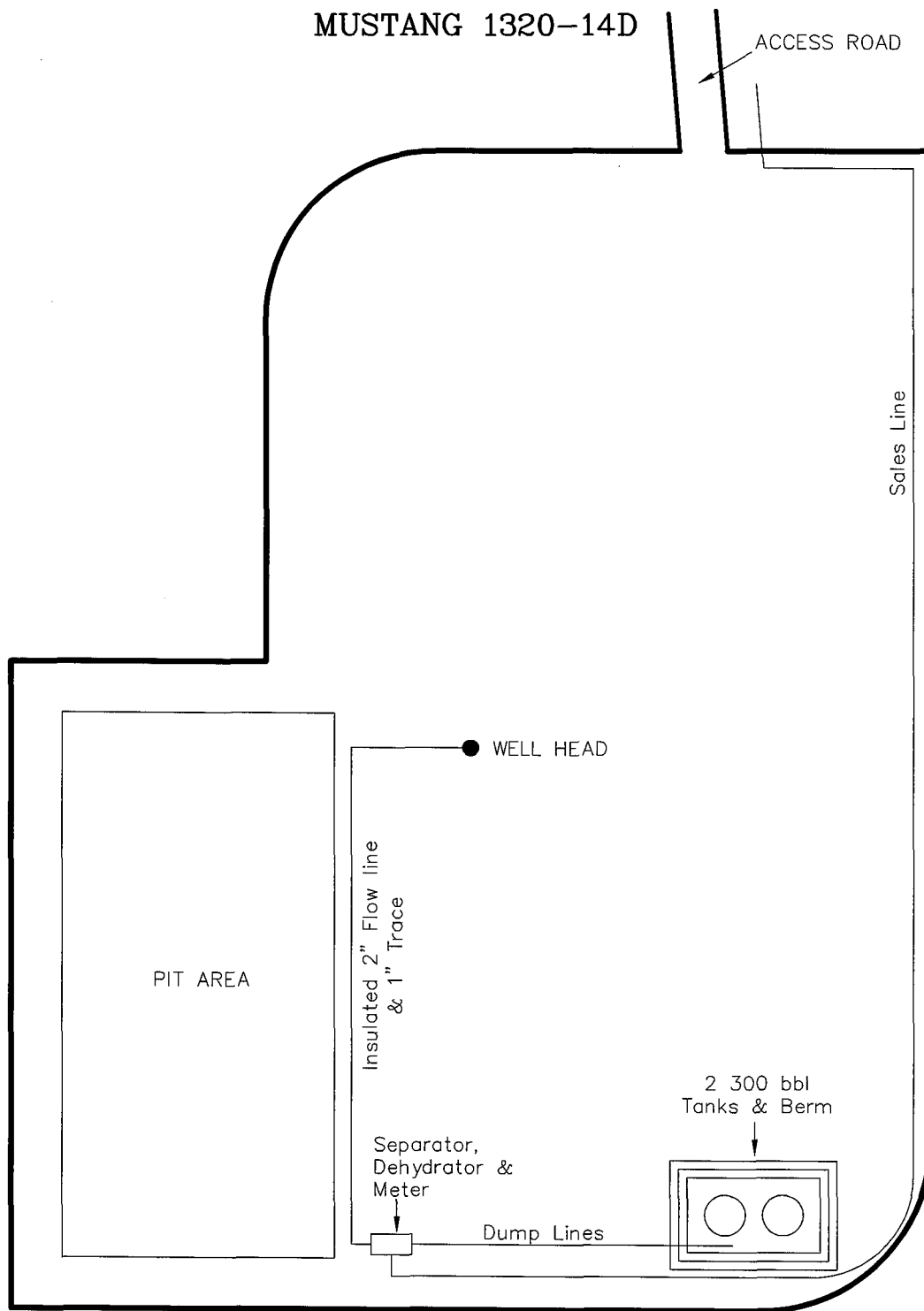
38 WEST 100 NORTH VERNAL, UTAH 84078

**5**  
**OF 10**

# SLATE RIVER RESOURCES, LLC

## TYPICAL PRODUCTION LAYOUT

MUSTANG 1320-14D



Section 14, T13S, R20E, S.L.B.&M.

Qtr/Qtr Location: NW NW

Footage Location: 570' FNL 589' FWL

Date Surveyed:  
9-16-05

Date Drawn:  
9-23-05

Date Last Revision:

**Timberline** (435) 789-1365  
*Land Surveying, Inc.*

SHEET

Surveyed By: B.J.S.

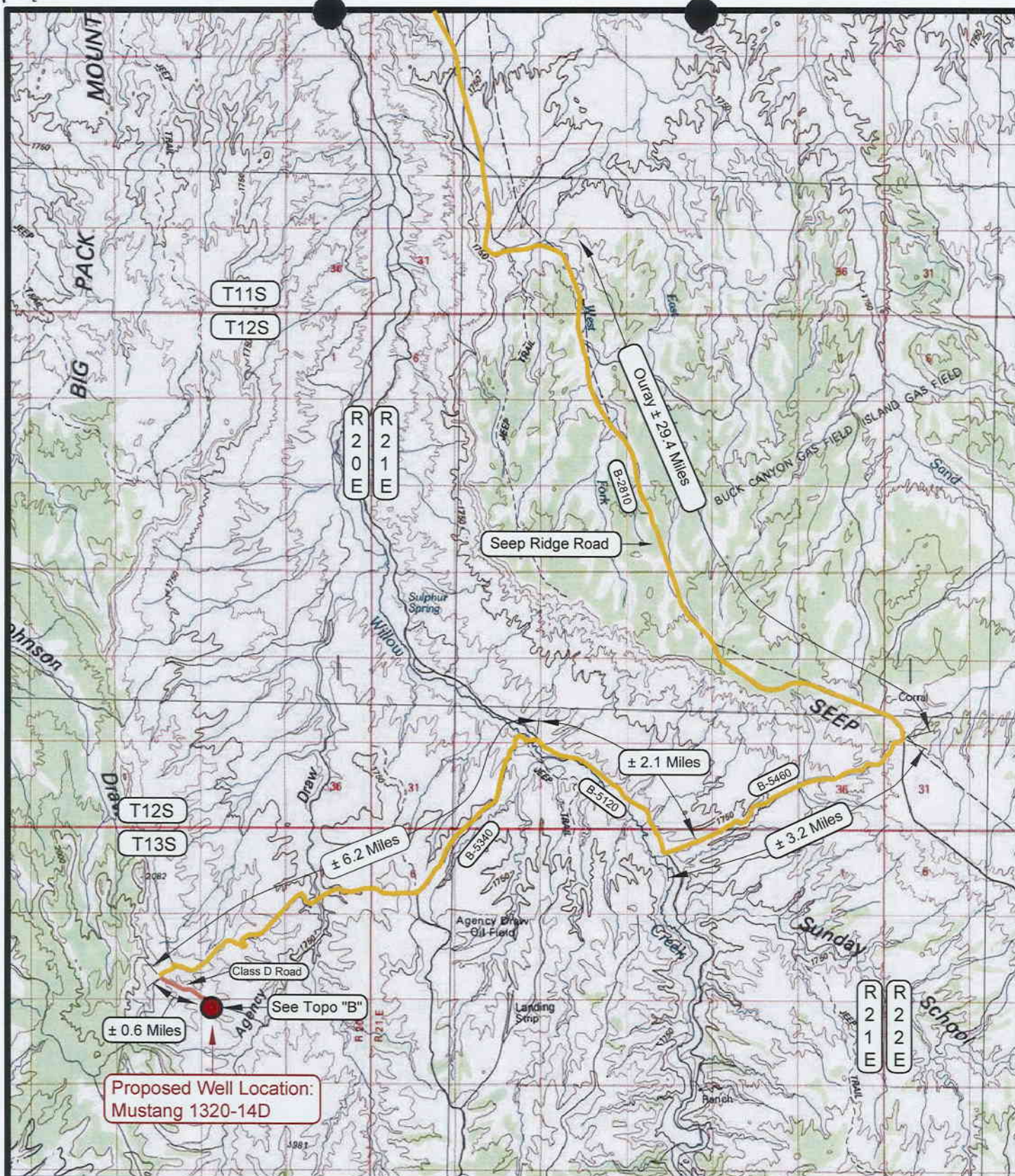
Drawn By: C.B.T.

Scale: 1" = 50'

38 WEST 100 NORTH VERNAL, UTAH 84078

6

OF 10



#### LEGEND

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- = PROPOSED ACCESS ROAD
- B-5460 = COUNTY ROAD CLASS & NUMBER

#### TOPOGRAPHIC MAP "A"

SCALE: 1:100,000

DRAWN BY: M.W.V.

DATE SURVEYED: 9-16-05

DATE DRAWN: 9-27-05

REVISED:

## SLATE RIVER RESOURCES, LLC

### Mustang 1320-14D

SECTION 14, T13S, R20E, S.L.B.&M.

570' FNL & 589' FWL

Timberline Land Surveying, Inc.

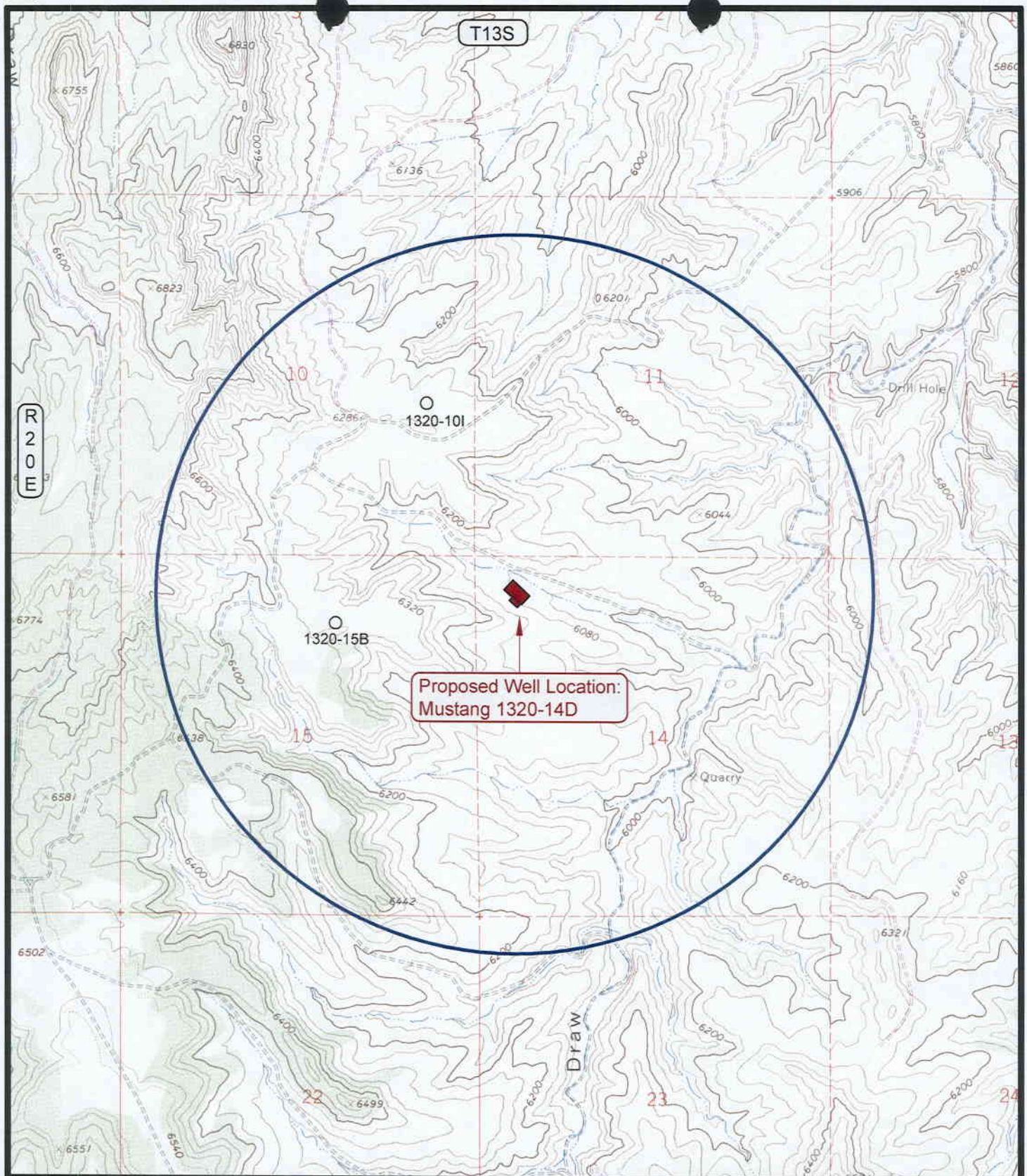
38 West 100 North Vernal, Utah 84078  
(435) 789-1365

SHEET

7

OF 10

SHEET  
8  
OF 10



# LEGEND

- ⊗ = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- = PROPOSED WELL
- ⊗ = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL

TOPOGRAPHIC MAP "C"

DATE SURVEYED: 09-16-05

DATE DRAWN: 09-28-05

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

REVISED:

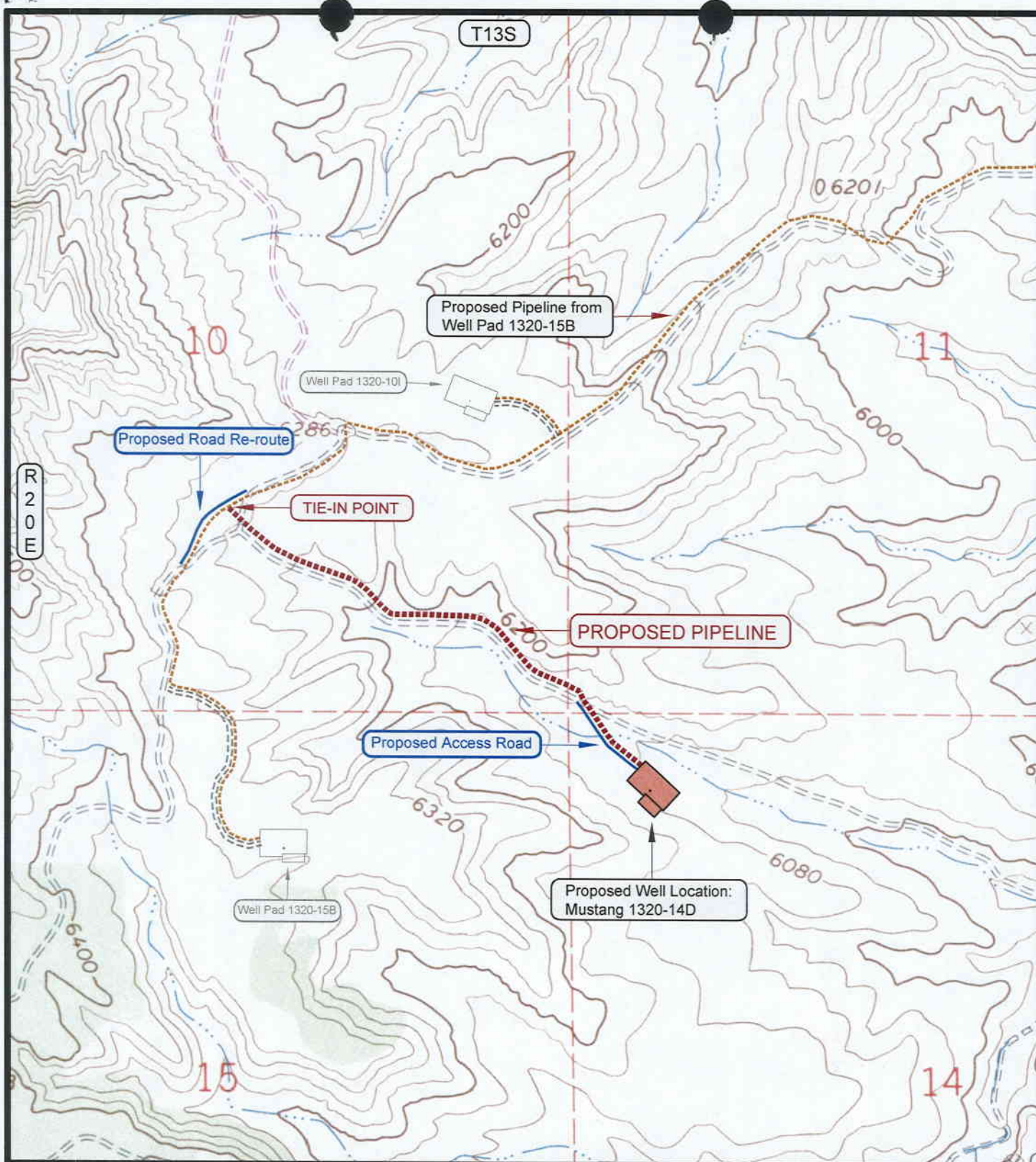
## SLATE RIVER RESOURCES, LLC

**Mustang 1320-14D**  
**SECTION 14, T13S, R20E, S.L.B.&M.**  
**570' FNL & 589' FWL**

Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078  
 (435) 789-1365

SHEET  
 9  
 OF 10



**APPROXIMATE PIPELINE LENGTH = 3,685 Feet**

#### LEGEND

- = EXISTING PIPELINE
- ..... = PROPOSED PIPELINE
- = PROPOSED ACCESS ROAD

**TOPOGRAPHIC MAP "D"**

DATE SURVEYED: 09-16-05

DATE DRAWN: 09-28-05

SCALE: 1" = 1000'

DRAWN BY: M.W.V.

REVISED:

#### SLATE RIVER RESOURCES, LLC

**Mustang 1320-14D**

**SECTION 14, T13S, R20E, S.L.B.&M.**

**570' FNL & 589' FWL**

**Timberline Land Surveying, Inc.**

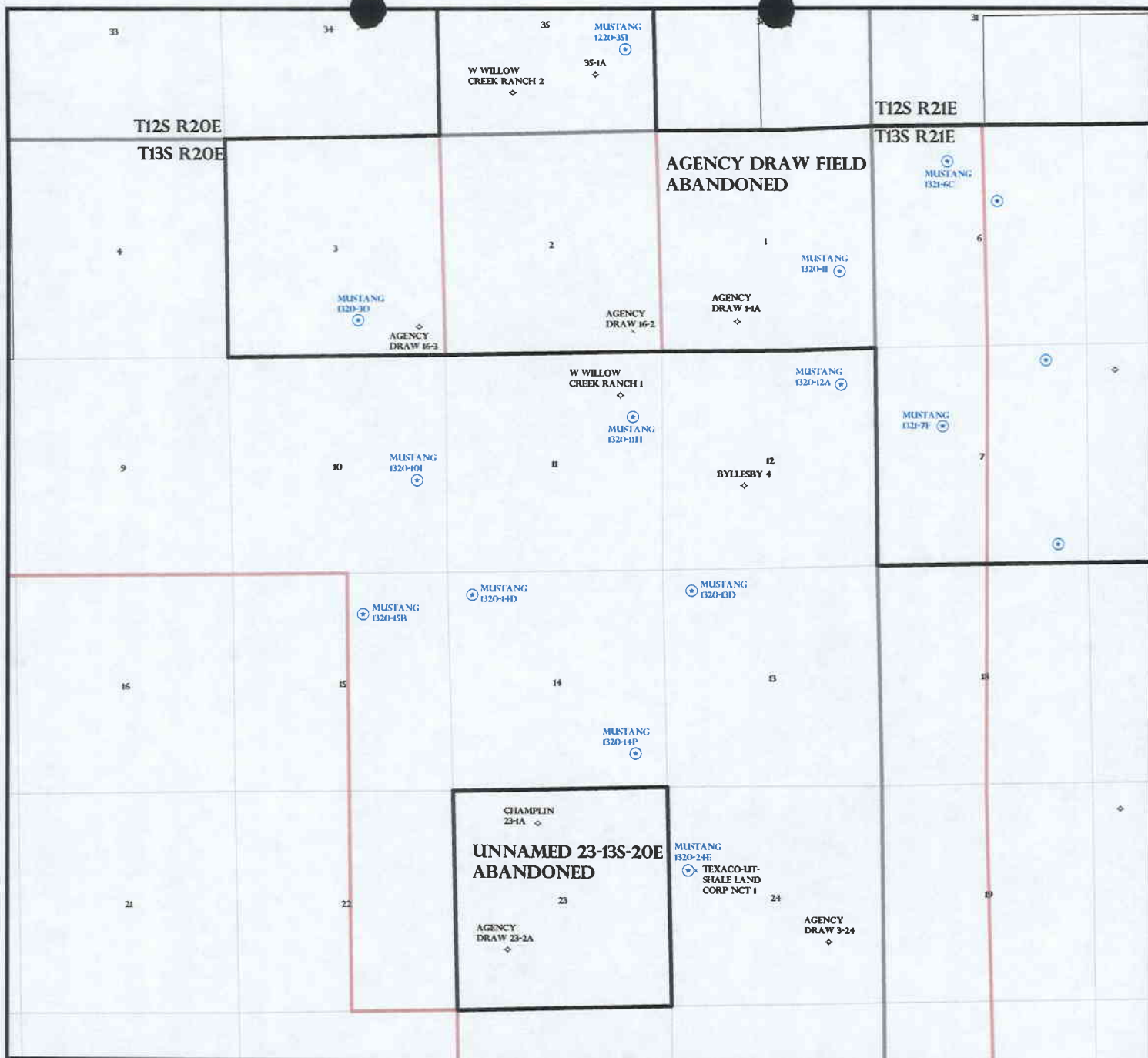
38 West 100 North Vernal, Utah 84078  
(435) 789-1365

SHEET

10

OF 10

STIPULATIONS: 1- STATEMENT OF BASIS  
2- Surface Csg Cont step



OPERATOR: SLATE RIVER RES (N2725)

SEC: 3,13,14,24 T. 13S R. 20E

FIELD: WILDCAT (001)

COUNTY: UINTAH

Case: 207-1 / 8-25-83

**Field Status**

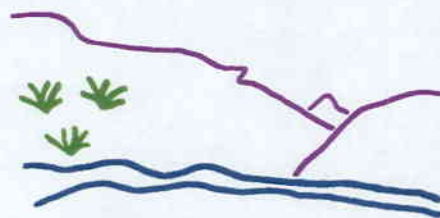
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

**Unit Status**

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

**Wells Status**

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 24-OCTOBER-2005

**DIVISION OF OIL, GAS AND MINING  
APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS**

**OPERATOR:** Slate River Resources, LLC  
**WELL NAME & NUMBER:** Mustang 1320-14D  
**API NUMBER:** 43-047-37296  
**LOCATION:** 1/4,1/4 NW/NW Sec:14TWP: 13S RNG: 20 E; 570' FNL 589' FWL

**Geology/Ground Water:**

Slate River proposes to set 2,000' of surface casing at this location. The base of the moderately saline water is at approximately 3,600 feet in this area. This location lies on the Green River Formation. The proposed location is in a recharge area for the aquifers of the Green River Formation and fresh water can be expected to be found in the Green River. A search of Division of Water Rights records indicates 1 water well within a 10,000 foot radius of the proposed location. This well is over a mile from the proposed location. This well is owned by Utah Oil Shales was drilled to a depth of 70 feet and listed as used for stock watering. The proposed casing and cement program should adequately protect any useable ground water.

**Reviewer:** Brad Hill **Date:** 11-09-2005

**Surface:**

At the request of Slate River Resources, a pre-site for this well was completed on 11/2/2005. Both the surface and minerals are privately owned. Mr. David Salter represents the owner, Mustang-Eagle Minerals. He was contacted by phone on 10-26-2005 and informed of and invited to participate in the presite. He said the company has no specific concerns and he would not attend.

The area poses no problems for drilling a well.

**Reviewer:** Floyd Bartlett **Date:** 11/4/2005

**Conditions of Approval/Application for Permit to Drill:**

1. A synthetic liner with a minimum thickness of 12 mils with a felt sub-liner shall be properly installed and maintained in the reserve pit.
2. The diversion ditch as shown on cut sheet is required.

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

**OPERATOR:** Slate River Resources, LLC

**WELL NAME & NUMBER:** Mustang 1320-14D

**API NUMBER:** 43-047-37296

**LEASE:** FEE **FIELD/UNIT:** Undesignated

**LOCATION:** 1/4, 1/4 NW/NW Sec: 14 TWP: 13S RNG: 20 E; 570' FNL 589' FWL

**LEGAL WELL SITING:** Well should be located in NW/4 or SE/4 and 660' from quarter boundary.

**GPS COORD (UTM):** 4394251 Y 0615525 X **SURFACE OWNER:** Mustang-Eagle Oil

**PARTICIPANTS**

Floyd Bartlett (DOGM), John Conley, (Vice President Slate River LLC,) Ginger Stringham, (Permit Consultant), Travis Oldham (Diamond J Construction), Colby Kay (Timberline Land Surveying), Ben Williams (Utah Division of Wildlife Resources)

**REGIONAL/SETTING TOPOGRAPHY**

Site is in Uintah County, Utah in the Agency Draw area approximately 72 miles south east of Vernal, UT. The Willow Creek drainage lies to the east and Hill Creek drainage is to the west. The general topography is characterized by open broad to narrow ridges or plateaus intersected by numerous draws or canyons, which often become steep. Drainage is generally northeasterly into Willow Creek, which contains a perennial stream. All drainages in the Agency Draw area are ephemeral.

Access to the site from Ouray, UT is following the Seep Ridge Road south 29.4 miles from Ouray, UT, then south west 3.2 miles down the Uintah Co. road B-5460 to Willow Cr, then northwest 2.1 miles along Willow Cr and Uintah Co. road B-5120 to the Agency Draw road then following the roads in the Agency Draw area to near the site. (See Topographic Sheets "A and B" of the APD) Approximately 640 feet of new road will be constructed to access the site and approximately 0.6 miles of existing low standard road will be improved.

This location is on the north side of a moderately sloping hillside. Several small erosion pattern type gullies drain through the site. The drainage from the location drains north into a draw, which drains to the southeast into a larger draw.

**SURFACE USE PLAN**

**CURRENT SURFACE USE:** Winter sheep grazing, limited big game hunting and general recreation.

**PROPOSED SURFACE DISTURBANCE:** Location of 340' x 175' and a reserve pit of 80' x 160' with an additional 10' wide bench. Approximately 640 feet of new access road will be constructed and 0.6 miles of existing road will be upgraded. A pipeline 3,685 feet in length will be laid adjacent

to the road to a tie in point.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: See Topographic Map "C".

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. Pipeline will follow access road.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be obtained from the site.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST CONCERNS? (EXPLAIN). No public concerns or interests are expected from drilling this well.

#### **WASTE MANAGEMENT PLAN:**

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved landfill.

#### **ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: Vegetated with a Desert shrub type consisting of black sage, greasewood, shadscale, curly mesquite, broom snakeweed, pinion, juniper. Wild horses, deer, elk, mountain lion, coyote and other small mammals and birds.

SOIL TYPE AND CHARACTERISTICS: Deep, sandy clay loam. Some flat angular surface rock.

EROSION/SEDIMENTATION/STABILITY: Light natural erosion. Sedimentation and stability are not a problem and location construction shouldn't cause an increase in stability or erosion problems. The diversion ditch on the upslope side of the location as shown on the cut sheet needs to be constructed to prevent water and sediment from draining across the constructed pad.

PALEONTOLOGICAL POTENTIAL: None observed.

#### **RESERVE PIT**

CHARACTERISTICS: 80' x 160' x 10' deep, located on the southwest corner of the location. , The reserve pit is all within cut. A 15' wide bench is planned around the outer edges. Two feet of freeboard is provided.

LINER REQUIREMENTS (Site Ranking Form attached): Level II sensitivity. A pit liner with a sub liner is required for the reserve pit. The

operator stated they would line the pit with a 20,mil liner and an appropriate sub-liner.

**SURFACE RESTORATION/RECLAMATION PLAN**

As per Land Owner Agreement.

**SURFACE AGREEMENT:**

A surface agreement has been executed and is on file.

**ARCULTURAL RESOURCES/ARCHAEOLOGY:** No Cultural or Archeological survey is required as per the Land Owner Agreement.

**OTHER OBSERVATIONS/COMMENTS**

None.

**ATTACHMENTS**

Photos of this site were taken and placed on file.

FLOYD BARTLETT  
DOGM REPRESENTATIVE

November 2, 2005; 3:30 PM

DATE/TIME

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	<u>0</u>
< 100	20	
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

**Final Score**      15      (Level II Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.





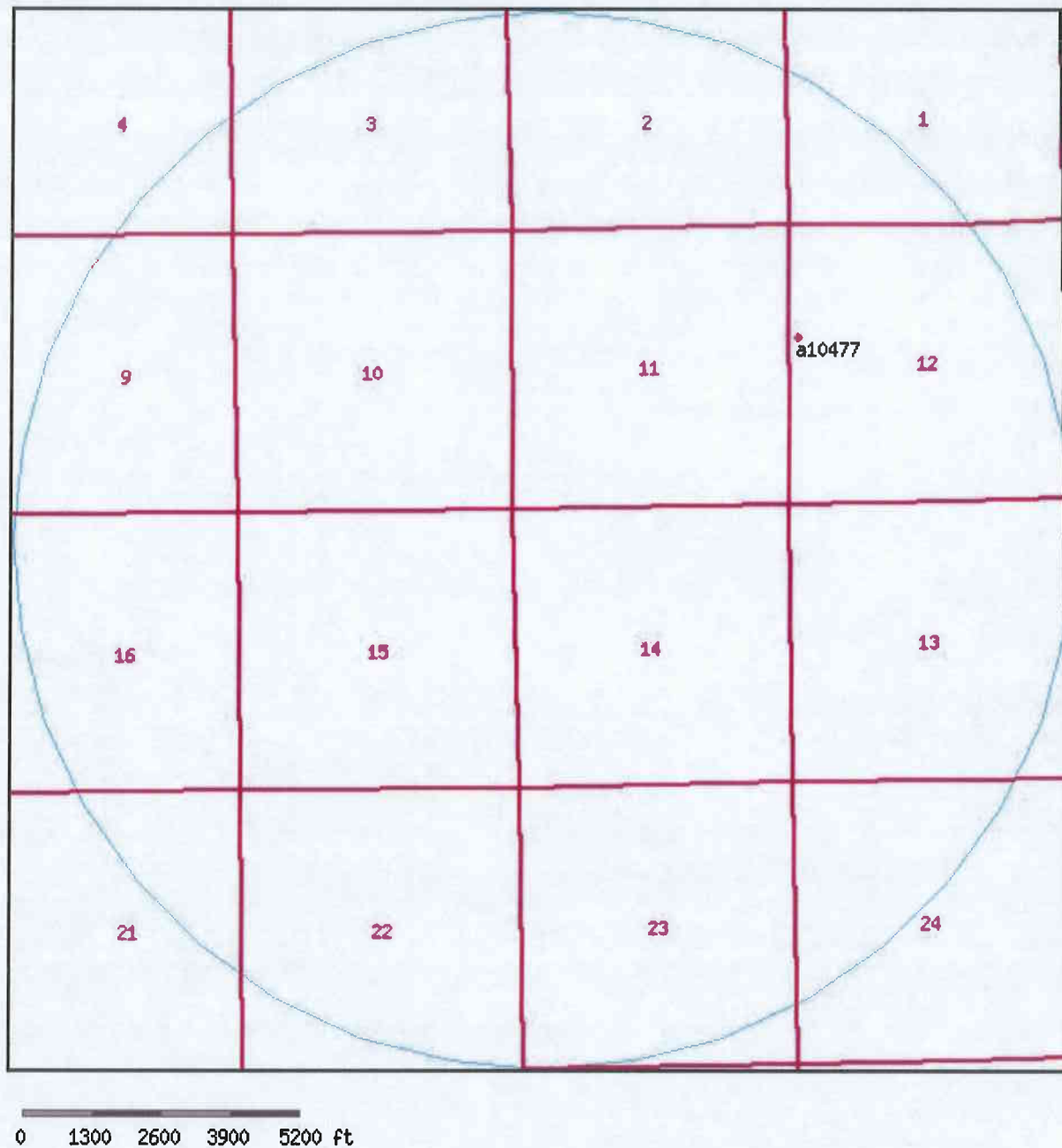
 **State Online Services** **Agency List** **Business.utah.gov**

# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.12.30.00      Rundate: 11/09/2005 03:10 PM

Radius search of 10000 feet from a point S570 E589 from the NW corner, section 14, Township 13S, Range 20E, SL b&m  
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all

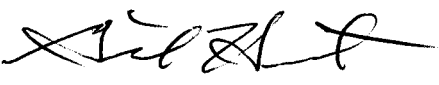


**Water Rights**

<b>WR Number</b>	<b>Diversion Type/Location</b>	<b>Well Log</b>	<b>Status</b>	<b>Priority</b>	<b>Uses</b>	<b>CFS</b>	<b>ACFT</b>	<b>Owner Name</b>
<u>49-285</u>	Underground S2125 E170 NW 12 13S 20E SL		A	19701203	S	0.015	0.000	UTAH OIL SHALES INC. C/O RAYMOND T. SENIOR, PRESIDENT
<u>a10477</u>	Underground S2125 E170 NW 12 13S 20E SL		A	19781106	S	0.015	0.000	UTAH OIL SHALES INC. 622 NEWHOUSE BLDG. (10 EXCHANGE PLACE)

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

**STATE ACTIONS**  
**Resource Development Coordinating Committee**  
**Governor's Office of Planning and Budget**  
**5110 State Office Building**  
**SLC, UT 84114**  
**Phone No. 537-9230**

<b>1. State Agency</b> Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	<b>2. Approximate date project will start:</b>  Upon Approval or November 7, 2005
<b>3. Title of proposed action:</b> Application for Permit to Drill	
<b>4. Description of Project:</b>  Slate River Resources, LLC proposes to drill the Mustang 1320-14D well (wildcat) on a Fee lease, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
<b>5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)</b> (include UTM coordinates where possible) (indicate county) 570' FNL 589' FWL, NW/4 NW/4, Section 14, Township 13 South, Range 20 East, Uintah County, Utah	
<b>6. Possible significant impacts likely to occur:</b> Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
<b>7. Identify local government affected</b> a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
<b>8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable:</b> a. Has the representative and senator been contacted? N/A	
<b>9. Areawide clearinghouse(s) receiving state action:</b> (to be sent out by agency in block 1) Uintah Basin Association of Governments	
<b>10. For further information, contact:</b>    Diana Whitney Phone: (801) 538-5312	<b>11. Signature and title of authorized officer</b>   Gil Hunt, Associate Director Date: October 24, 2005

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: Fee	6. SURFACE: Fee
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: Slate River Resources, LLC		8. UNIT or CA AGREEMENT NAME:	
3. ADDRESS OF OPERATOR: 418 East Main CITY Vernal STATE UT ZIP 84078		PHONE NUMBER: (435) 781-1871	9. WELL NAME and NUMBER: Mustang 1320-14D
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 570' FNL & 589' FWL AT PROPOSED PRODUCING ZONE: same as above		10. FIELD AND POOL, OR WILDCAT: <del>Undesignated</del> Wildcat	
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 14 13S 20E		12. COUNTY: Uintah	
13. STATE: UTAH		14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 72.6 miles south of Vernal, UT.	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 570'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2,500'	19. PROPOSED DEPTH: 8,000	20. BOND DESCRIPTION: B-001556	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6,076' GR	22. APPROXIMATE DATE WORK WILL START: 12/1/2005	23. ESTIMATED DURATION: 30 Days	

24.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4	9 5/8 H-40 32#	2,000	CEMENT "V" 180 SKS 3.82 CF 15.8 PPG
			CEMENT "G" 225 SKS 1.15 CF 15.8 PPG
7 7/8	4 1/2 M-80 11.6#	8,000	PREMIUM CEMENT 140 SKS 3.82 CF 11.0 PPG
			CLASS "G" 580 SKS 1.26 CF 14.15 PPG

25.

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER     | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN  |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input checked="" type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

CONFIDENTIAL

NAME (PLEASE PRINT) Ginger Stringham

TITLE Agent

SIGNATURE

DATE 10/17/2005

(This space for State use only)

API NUMBER ASSIGNED:

43-047-37296

APPROVAL:

RECEIVED

OCT 20 2005

DIV. OF OIL, GAS & MINING

# T13S, R20E, S.L.B.&M.

## SLATE RIVER RESOURCES, LLC

Set Marked Stone,  
Pile of Stones

S89°54'W 79.70 (G.L.O.)

N89°55'48"W 2625.98' (Meas)

S89°39'42"W 2600.58' (Meas)

Set Marked Stone,  
Pile of Stones

Set Marked Stone,  
Pile of Stones

589'

570'

**WELL LOCATION:  
MUSTANG 1320-14D**

ELEV. UNGRADED GROUND = 6077.9'

**14**

1/4 Corner  
Missing

N00°01'W (G.L.O.)  
5286.34' (Measured)  
N00°22'55"W (Basis of Bearings)

Set Marked Stone,  
Pile of Stones

S89°56'W - 79.74 (G.L.O.)

▲ = SECTION CORNERS LOCATED

BASIS OF ELEVATION IS BENCH MARK 66 WF 1952  
LOCATED IN THE NE 1/4 OF SECTION 6, T13S, R21E,  
S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS  
MARKED ON THE AGENCY DRAW NE 7.5 MIN.  
QUADRANGLE AS BEING 5812'.

**MUSTANG 1320-14D**  
(Proposed Well Head)  
NAD 83 Autonomous  
LATITUDE = 39° 41' 31.6"  
LONGITUDE = 109° 39' 12.0"

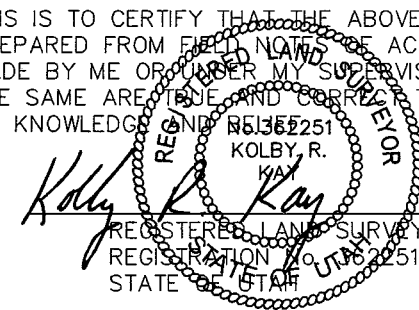
WELL LOCATION, MUSTANG 1320-14D,  
LOCATED AS SHOWN IN THE NW 1/4  
NW 1/4 OF SECTION 14, T13S, R20E,  
S.L.B.&M. UTAH COUNTY, UTAH.

### NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.

N00°01'W (G.L.O.)

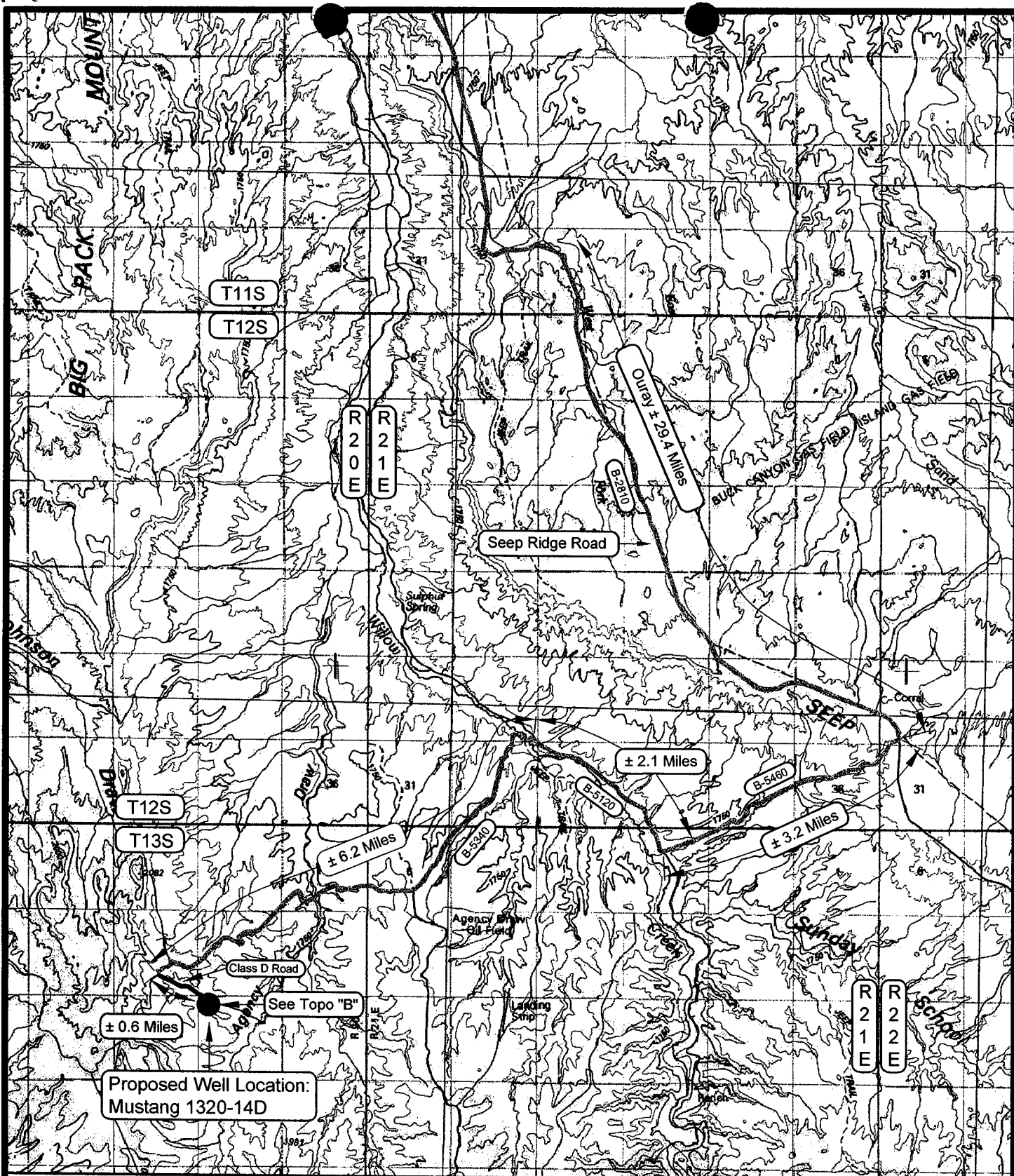
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS  
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS  
MADE BY ME OR UNDER MY SUPERVISION AND THAT  
THE SAME ARE TRUE AND CORRECT TO THE BEST OF  
MY KNOWLEDGE AND BELIEF.



## TIMBERLINE LAND SURVEYING, INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078  
(435) 789-1365

DATE SURVEYED: 9-16-05	SURVEYED BY: K.R.K.	SHEET 2 OF 10
DATE DRAWN: 9-23-05	DRAWN BY: C.B.T.	
SCALE: 1" = 1000'	Date Last Revised:	



# LEGEND

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- = PROPOSED ACCESS ROAD
- B-5460 = COUNTY ROAD CLASS & NUMBER

## TOPOGRAPHIC MAP "A"

SCALE: 1:100,000

DRAWN BY: M.W.W.

DATE SURVEYED: 9-16-05

DATE DRAWN: 9-27-05

REVISED:

## SLATE RIVER RESOURCES, LLC

### Mustang 1320-14D

SECTION 14, T13S, R20E, S.L.B.&M.

570' FNL & 589' FWL

### Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078  
(435) 789-1365

SHEET

7

OF 10

# 11-05 Slate Mustang 1320-14D

## Casing Schematic

Green River

Surface

propose TOC Surface

9-5/8"  
MW 8.4  
Frac 19.3

TOC @  
454.

Surface  
2000. MD

1008'  
2370 Wasatch

3600 Bmsw

TOC @  
4243.

4870 Mesaverde

7500 Mancos

Production  
8000. MD

4-1/2"  
MW 8.6

w/ 15% washcoat  
Surface w/ 10% washcoat

propose TOC 2000' or higher  
Strip: TOC to 2300' to  
protect Wasatch

BHP

$$(2.052)(8000)(8.6) = 3578$$

Anticipate < 3600

G<sub>wo</sub>

$$(6.12)(8000) = 960$$

$$MASP = 2640$$

BSPE-3,000 ✓

Surf CSG- 2270

$$70\% = 1584$$

Max pressure @ Surf Shoe = 2280

Test TO 1500 ✓

✓ Adequate Deco  
u/17/05

w/ 15% washcoat  
TOC 2444' w/ 0% washcoat  
✓ TOC @ 1008' w/ 1000 SX total  
(420 Lead, 580 Tail)  
\* See email amendment 11/15/05

Well name:

**11-05 Slate Mustang 1320-14D**Operator: **Slate River Resources, LLC**String type: **Surface**

Project ID:

43-047-37296

Location: **Uintah County, Utah****Design parameters:****Collapse**Mud weight: 8.400 ppg  
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 93 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 299 ft

Cement top: 454 ft

**Burst**Max anticipated surface  
pressure: 83 psi  
Internal gradient: 0.436 psi/ft  
Calculated BHP 956 psi

No backup mud specified.

**Tension:**8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 1,753 ft

Non-directional string.

**Re subsequent strings:**Next setting depth: 8,000 ft  
Next mud weight: 8.600 ppg  
Next setting BHP: 3,574 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 2,000 ft  
Injection pressure 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	9.625	32.30	H-40	ST&C	2000	2000	8.876	126.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	1370	1.570	956	2270	2.37	65	254	3.93 J

Prepared by: Clinton Dworshak  
Utah Div. of Oil & MiningPhone: (801) 538-5281  
FAX: (801)359-3940Date: November 10,2005  
Salt Lake City, Utah**ENGINEERING STIPULATIONS -**

Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:

**11-05 Slate Mustang 1320-14D**Operator: **Slate River Resources, LLC**String type: **Production**

Project ID:

43-047-37296

Location: **Uintah County, Utah****Design parameters:****Collapse**Mud weight: 8.600 ppg  
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 177 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 4,243 ft

**Burst**Max anticipated surface  
pressure: 83 psi  
Internal gradient: 0.436 psi/ft  
Calculated BHP 3,574 psi

No backup mud specified.

**Tension:**8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 6,971 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8000	4.5	11.60	M-80	LT&C	8000	8000	3.875	185.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3574	6350	1.777	3574	7780	2.18	93	267	2.88 B

Prepared by: Clinton Dworshak  
Utah Div. of Oil & MiningPhone: (801) 538-5281  
FAX: (801)359-3940Date: November 10,2005  
Salt Lake City, Utah**ENGINEERING STIPULATIONS -**

Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Wildlife Resources

JAMES F. KARPOWITZ  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

October 31, 2005

Gil Hunt  
Division of Oil Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Subject: RDCC Project #5860, Application for Permit to Drill

Dear Mr. Hunt:

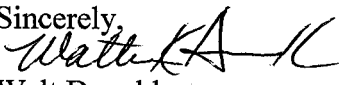
The Utah Division of Wildlife Resources has reviewed the subject document, and we provide the following comments:

We are concerned that the proposed action in conjunction with other proposed wells to be drilled in the area may result in cumulative impact to big game winter range. This area is classified as critical winter range for mule deer and substantial value elk winter range. Disturbances caused by drilling activities and increased human presence in the area increase stress to wintering big game. Increased human activity may cause animals to relocate to less desirable areas. These factors may result in increased winter mortality. We suggest a seasonal closure on new surface disturbances i.e.... pad and road construction and workover activities from November 15 – April 15 to minimize negative impacts to wintering big game animals.

Well pad and road locations should avoid open sagebrush/oakbrush areas and be located within pinion juniper stands where possible. Areas of suitable winter forage should be left undisturbed to minimize forage loss.

Mitigation should be accomplished by completing a habitat restoration project that creates and enhances beneficial habitat that will benefit mule deer and elk and compensate for ground disturbance and habitat loss. Ideas for mitigation may be discussed at the Uintah Basin Conservation and Development group via this office.

Thank you for the opportunity to review this proposed action and provide comment. If you have any questions, please call Ben Williams, Oil and Gas Habitat Biologist, at our Northeast Region, Vernal office (435-781-5357).

Sincerely,  
  
Walt Donaldson  
Director

Cc:JFK/TBW/Walt Donaldson/Steve Brayton/Mike Styler/Carolyn Wright

RECEIVED  
NOV 07 2005  
DIV. OF OIL, GAS & MINING

**Clinton Dworshak - Slate River APD Cement Detail**

---

**From:** "JTConley" <jconley@sl8river.com>  
**To:** <clintondworshak@utah.gov>  
**Date:** 11/15/2005 8:56 AM  
**Subject:** Slate River APD Cement Detail  
**CC:** "Ginger Stringham" <gs\_paradigm@yahoo.com>

---

**Clint;**  
**Slate River's cementing practice and program intends to bring the lead cement to surface in each and every well.**

**Actual cement volumes are based on the openhole caliper and cement volume log. Typical cement jobs for the production casing run between 1000 and 1200 sx's total of the lead plus tail.**

**Please note this change for the APDs submitted as shown in the well listing below, and include our intent to bring the cement to surface.**

<b>Well</b>	<b>Spot</b>	<b>S-T-R</b>
Mustang #1220-35I	NESE	35-12S-20E
Mustang #1320-10I	NESE	10-13S-20E
Mustang #1320- 3O	SWSE	3-13S-20E
Mustang #1320-11H	SENE	11-13S-20E
Mustang #1320-13D	NWNW	13-13S-20E
Mustang #1320-14P	SESE	14-13S-20E
Mustang #1320-24E	SWNW	24-13S-20E
Mustang #1320-14D	NWNW	14-13S-20E
UOA #1321- 7P	SESE	7-13S-21E
UOS #1321-17A	NENE	17-13S-21E
UOS #1321- 4M	SWSW	4-13S-21E
Mustang #1320-15B	NWNE	15-13S-20E

**Please contact me if you have questions.**

**thanx,**

**J.T. Conley**  
**Slate River Resources**  
**418 East Main, Suite 18**  
**Vernal, UT 84078**  
**435-781-1870**

**From:** Robert Clark  
**To:** Whitney, Diana  
**Date:** 11/21/2005 1:37:28 PM  
**Subject:** RDCC Short turn around responses

The following comments are submitted for **RDCC #5858-5863** and **RDCC 5901** and **RDCC 5917**. Some of these comments may be late. Sorry, I have been in the hospital and recouperating the past three weeks.

**The following comments pertain to RDCC # 5858- 5863. Comments begin:** The proposed Mustang 1320-30, 1320-13D, 1320-14D, 1320-14P 1320-24E and 1320-101 well drilling projects in Uintah County may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are constructed at the site. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The proposed project is also subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules are found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm) . **Comments end.**

**The following comments pertain to RDCC # 5901. Comments begin:**

The proposed Northwest Bullhorn wildcat well drilling projects in San Juan County may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are constructed at the site. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The proposed project is also subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules are found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm) . **Comments end.**

**The following comments pertain to RDCC # 5917. Comments begin:**

The proposed Weaver Ridge 10-25-33-17 wildcat well drilling project in Uintah County may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are constructed at the site. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The proposed project is also subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules are found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm) . **Comments end.**

Robert Clark

Division of Air Quality  
536-4435

**CC:** Wright, Carolyn



RECEIVED  
NOV 30 2005  
DIV. OF OIL, GAS & MINING

November 30, 2005

Ms. Diana Whitney  
Utah Division of Oil, Gas & Mining  
P.O. Box 145801  
Salt Lake City, UT 84114-5801  
Fax 801-359-3940

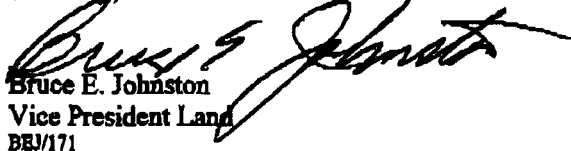
Re: Supplement to Exception Location  
Mustang 1320-14D  
T13S-R20E  
Sec 14: NW/4NW/4 (570' FNL, 589' FWL)  
Uintah County, Utah  
Agency Draw Prospect

Dear Ms. Whitney:

Slate River and our partner Mustang Fuel Corporation propose drilling the captioned well to test the Wasatch and Mesaverde Formations. The well is an exception to Spacing Order 207-1 because of topography and our desire to keep the wells near existing access roads. Slate River and Mustang own the offset leasehold and do not have an objection to the exception location.

The survey plats and application have been provided to you from Vernal. Please approve the request for a well permit at your convenience.

Sincerely,

  
Bruce E. Johnston  
Vice President Land  
BEJ/171



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

November 30, 2005

Slate River Resources, LLC  
418 East Main  
Vernal, UT 84078

Re: Mustang 1320-14D Well, 570' FNL, 589' FWL, NW NW, Sec. 14,  
T. 13 South, R. 20 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37296.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor

**Operator:** Slate River Resources, LLC  
**Well Name & Number** Mustang 1320-14D  
**API Number:** 43-047-37296  
**Lease:** Fee

**Location:** NW NW                      **Sec.** 14                      **T.** 13 South                      **R.** 20 East

### **Conditions of Approval**

**1. General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**2. Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

**3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

**4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)**

**5. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.**

**6. Surface casing shall be cemented to the surface.**

PC 10/10/06

## DIVISION OF OIL, GAS AND MINING

### SPUDDING INFORMATION

Name of Company: SLATE RIVER RESOURCES LLC

Well Name: MUSTANG 1320-14D

Api No: 43-047-37296 Lease Type: FEE

Section 14 Township 13S Range 20E County UINTAH

Drilling Contractor PETE MARTINS RIG # BUCKET

### SPUDDED:

Date 03/10/06

Time 4:00 PM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by RANDY DUGAN

Telephone # 1-435-828-7967

Date 03/14/2006 Signed CHD

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

### ENTITY ACTION FORM

Operator: Slate River Resources LLC Operator Account Number: N 2725  
 Address: 418 E. Main St. Suite 18  
city Vernal  
state UT zip 84078 Phone Number: (435) 781-1870

## Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737296	MUSTANG 1320-14D		NWNW	14	13S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15263	3/10/2006		3/23/06		
Comments: MIRU PETE MARTIN BUCKET RIG <i>MNCS</i> SPUD @ 4:00 P.M. 3/10/06							

CONFIDENTIAL K

## Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737290	UINTAH OIL ASSOCIATION 1321-7P		SESE	7	13S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15264	3/10/2006		3/23/06		
Comments: MIRU PETE MARTIN BUCKET RIG <i>MNCS</i> SPUD @ 11:00 A.M. 3/10/06							

CONFIDENTIAL K

## Well 3

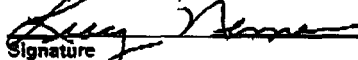
API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

## ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Lucy Nemeec

Name (Please Print)



Sr. Operations Specialist

3/20/2006

Title

Date

(5/2000)

RECEIVED

MAR 21 2006

DIV. OF OIL, GAS &amp; MINING

**STATE OF UTAH**  
**DIVISION OF OIL, GAS AND MINING**

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT -" for such proposals

1. Type of Well: OIL ☐ GAS ☒ OTHER:

2. Name of Operator:  
**SLATE RIVER RESOURCES, LLC**

3. Address and Telephone Number:  
**418 E. MAIN STE 18 VERNAL, UT 84078**

4. Location of Well:

Footages: **570' FNL & 589' FWL**

OO, Sec., T., R., M.: **NWNW SEC 14 T13S R20E SLC MERIDIAN**

5. Lease Designation and Serial Number:

**FEE**

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:  
**MUSTANG 1320-14D**

9. API Well Number:  
**43-047-37296**

10. Field and Pool, or Wildcat:  
**WILDCAT**

County: **UINTAH**

State: **UT**

**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

**NOTICE OF INTENT**

(Submit in Duplicate)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon                   | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion       | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |

Approximate date work will start \_\_\_\_\_

**SUBSEQUENT REPORT**

(Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon*                            | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing                       | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans                     | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection                | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize           | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>Spud Notice</u> |   |

Date of work completion 3/10/2006

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Pete Martin Rathole Drilling MI&RU Bucket Rig. The well was spud at 4:00 pm. on 3/10/06.  
 40' of 14" conductor pipe was cemented with approx. 3 yards of ready-mix cement.

**3/14 - 3/16/2006**

Bill Jr. Rathole Drilling, Inc. MI&RU. Drilled a 12-1/4" surface hole to 2050'. Ran 2013.4' (47Jts) of 9-5/8" 32.30# H-40 ST&C set @ 2013', cemented as follows:

Lead - 170 sks 16% gel, 10# gilsonite, 3% salt, 3# GR3, 1/4# Flocele

Tail - 200 sks 2% CaCl2, 1/4# flocele; **Top off down 1" - 150 sks 4% CaCl2, 1/4" flocele; Top off - 75 sks 4% CaCl2.**

Cement to surface.

RDMOL. WO Rotary tool.

13.

Name and Signature: \_\_\_\_\_

Lucy Namec

Title: **SR. Operations Spec**

Date: **21-Mar-06**

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**DIV. OF OIL, GAS & MINING**

**STATE OF UTAH**  
**DIVISION OF OIL, GAS AND MINING**

**CONFIDENTIAL**

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. Lease Designation and Serial Number: <b>FEE</b>
Do not use this form for proposals to drill or deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals		6. If Indian, Allottee or Tribe Name:
		7. Unit Agreement Name:
1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER:		8. Well Name and Number: <b>MUSTANG 1320-14D</b>
2. Name of Operator: <b>SLATE RIVER RESOURCES, LLC</b>		9. API Well Number: <b>43-047-37296</b>
3. Address and Telephone Number: <b>418 E. MAIN STE 18 VERNAL, UT 84078</b>		10. Field and Pool, or Wildcat: <b>WILDCAT</b>
4. Location of Well: Footages: <b>570' FNL &amp; 589' FWL</b> Q.C. Sec., T., R., M.: <b>NWNW SEC 14 T13S R20E SLC MERIDIAN</b>		Country: <b>UINTAH</b> State: <b>UT</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
NOTICE OF INTENT (Submit in Duplicate)		SUBSEQUENT REPORT (Submit Original Form Only)	
<input type="checkbox"/> Abandon	<input type="checkbox"/> New Construction	<input type="checkbox"/> Abandon*	<input type="checkbox"/> New Construction
<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Pull or Alter Casing
<input checked="" type="checkbox"/> Change of Plans	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Reperforate
<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Reperforate	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____	
<input type="checkbox"/> Other _____			
Approximate date work will start <u>3/22/2006</u>		Date of work completion _____	
		Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.	
		* Must be accompanied by a cement verification report.	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Slate River Resources requests approval to amend the proposed TD in the previously approved APD from 8000' to 8370' to allow us to penetrate the Mancos "B" zone.

Production casing to be run will remain the same: New 4-1/2" 11.60# M-80 LT&C casing with the exception of the setting depth of 8370'.

The cementing program will remain the same with the exception of the cement volume which will be based on the deeper depth.

COPIES TO OPERATOR  
 4-13-06  
 C#D

13. Name and Signature: Lucy Nemeo Title: SR. Operations Spec Date: 21-Mar-06  
 Lucy Nemeo

(This space for State use only.)

APPROVED BY THE STATE  
 OF UTAH DIVISION OF  
 OIL, GAS, AND MINING  
 DATE: 3/23/06  
 BY: [Signature]

(See Instructions on Reverse Side)

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 MAR 21 2006  
 DIV. OF OIL, GAS & MINING

418 E. Main Street  
Vernal, UT 84078  
Office: 435-781-1870  
Fax: 435-781-1875

**SLATE RIVER  
RESOURCES, LLC**

# Fax

<b>To:</b>	Dustin Ducet	<b>From:</b>	Lucy Nemec
<b>Company</b>	DOGM	<b>Company</b>	Slate River Resources
<b>Fax:</b>	801-359-3940	<b>Pages:</b>	2
<b>Phone:</b>		<b>Date:</b>	3/21/06
<b>Re:</b>	Change in TD	<b>cc:</b>	

☒ **Urgent**    ☐ **For Review**    ☐ **Please Comment**    ☐ **Please Reply**    ☐ **Please Recycle**

**• Comments:**

Hi Dustin,

Union Rig #7 RU on this well today.

Please call if you have any questions 435-781-1870

Lucy

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MAR 21 2006  
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

Well name:	<b>11-05 Slate Mustang 1320-14D</b>	
Operator:	<b>Slate River Resources, LLC</b>	
String type:	Production	Project ID: 43-047-37296
Location:	Uintah County, Utah	

**Design parameters:****Collapse**

Mud weight: 8.600 ppg  
Design is based on evacuated pipe.

**Minimum design factors:****Collapse:**

Design factor 1.125

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 177 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

**Burst:**

Design factor 1.00

Cement top: 4,243 ft

**Burst**

Max anticipated surface pressure: 83 psi  
Internal gradient: 0.436 psi/ft  
Calculated BHP 3,574 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.  
Neutral point: 6,971 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	<del>8000</del> 8370	4.5	11.60	M-80	LT&C	8000	8000	3.875	185.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	<del>8574</del> 3743	6350	<del>4.777</del> 1.697	<del>3674</del> 3743	7780	<del>2.48</del> 2.08	<del>85</del> 97	267	<del>2.888</del> 2.75

Prepared by: Clinton Dworshak  
Utah Div. of Oil & Mining

Phone: (801) 538-5281  
FAX: (801) 359-3940

Date: November 10, 2005  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS -**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

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APR 24 2006

DIV. OF OIL, GAS & MINING

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT -" for such proposals

1. Type of Well: OIL ☐ GAS ☒ OTHER:

2. Name of Operator:  
SLATE RIVER RESOURCES, LLC

3. Address and Telephone Number:  
418 E. MAIN STE 18 VERNAL, UT 84078

4. Location of Well:

Footages: 570' FNL & 589' FWL

QQ, Sec., T., R., M.: NWNW SEC 14 T13S R20E SLC MERIDIAN

5. Lease Designation and Serial Number:

FEE

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:

MUSTANG 1320-14D

9. API Well Number:

43-047-37296

10. Field and Pool, or Wildcat:

WILDCAT

County: UTAH

State: UT

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

**NOTICE OF INTENT**

(Submit in Duplicate)

**SUBSEQUENT REPORT**

(Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon                   | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion       | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |

- |   |   |
|---|---|
| <input type="checkbox"/> Abandon*   | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing  | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans  | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection                                     | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize                                | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>Run and Cement Production Casing</u> |   |

Approximate date work will start \_\_\_\_\_

Date of work completion 4/2/2006

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

**3/22 - 4/3/2006**

MIRU Union Rig #7. Drilled a 7-7/8" hole from 2050' - 8384'.

Ran 198 jts (8384') of new 4-1/2" 11.60# M-80 LT&C casing and set @ 8384'.

Big 4 Cementing cemented production casing with 1170 sx cement as follows:

Lead - 250 sx of 16% Gel - 10# sk Gilsonite, 3% salt, 1/4# flocele, 3# sk GR-3

Tail - 920 sx - 50/50 Poz, 2% Gel, 10% salt, 3% Fld .4% dispersant, 1/4# sk flocele

Land plug w/2200 psi up to 2700 psi on 4/02/06. Float held.

Good circulation during job, no lead cement to surface.

Rig Released @ 1200 hrs 4/2/06. RDMOL. WO Completion Rig

13.

Name and Signature:

Lucy Nemec

Title: **SR. Operations Spec**

Date: 19-Apr-06

(This space for State use only.)

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT" for a new well.

1. Type of Well: OIL ☐ GAS ☒ OTHER: **CONFIDENTIAL**2. Name of Operator:  
SLATE RIVER RESOURCES, LLC3. Address and Telephone Number:  
418 E. MAIN VERNAL UT 840784. Location of Well:  
Footage: See attached  
QQ Sec. T., R. M.:

5. Lease Designation and Serial Number:

FEE

6. If Indian, Alutian or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:  
See attached

9. API Well Number:

43-047-37216

10. Field and Pool or Wicket:

County: UINTAH  
State: UT

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT  
(Submit in Duplicate)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon                                     | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing                               | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans                             | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection                        | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize                   | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion                         | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other Disposal of Produced Water |   |

Approximate date work will start 1/25/2006

SUBSEQUENT REPORT  
(Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon*                  | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other                     |   |

Date of work completion

Report results of Multiple Completions and Recompletions to different reservoirs on WELL

COMPLETION OR RECOMPLETION REPORT AND LOG FORM.

\* Must be accompanied by a cement verification report.

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Slate River Resources LLC requests approval to dispose of produced water at either one or both of the approved disposal sites listed below for the attached list of producing wells.

Dalbo/Ace  
6848 W. Hwy 40  
Vernal, UT

Dalbo Inc. Glen Bench Disposal  
26800 S. Glen Bench Road  
Vernal, Utah

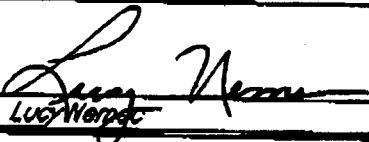
COPY SENT TO OPERATOR

Date: 10-13-06

Initials: RM

13.

Name and Signature:



Title: SR Operations Specialist

Date: 11-Sep-06

(This space for State use only.)

Accepted by the  
Utah Division of  
Oil, Gas and Mining

(484) Date: 10-12-06  
By: 

(See Instructions on Reverse Side)

RECEIVED

OCT 12 2006

DIV. OF OIL, GAS &amp; MINING

**SLATE RIVER RESOURCES LLC**  
**AGENCY DRAW PRODUCING WELLS**  
**OCTOBER 12, 2006**

Well	Field	Lease	API #	Spot	Description S-T-R	County	State
UOS #1321- 9P	Agency Draw	Fee	43-047-36375	SESE	9-13S-21E	Uintah	Utah
Mustang #1320- 1I	Agency Draw	Fee	43-047-36384	NESE	1-13S-20E	Uintah	Utah
UOS #1321- 9L	Agency Draw	Fee	43-047-36376	NWSW	9-13S-21E	Uintah	Utah
UOA #1321- 7A	Agency Draw	Fee	43-047-36372	NENE	7-13S-21E	Uintah	Utah
UOA #1321- 6G	Agency Draw	Fee	43-047-36370	SWNE	6-13S-21E	Uintah	Utah
UOA #1321- 8C	Agency Draw	Fee	43-047-36373	NENW	8-13S-21E	Uintah	Utah
Mustang #1321- 7F	Agency Draw	Fee	43-047-36371	SENE	7-13S-21E	Uintah	Utah
Mustang #1320-12A	Agency Draw	Fee	43-047-36369	NENE	12-13S-20E	Uintah	Utah
Mustang #1321- 6C	Agency Draw	Fee	43-047-36383	NENW	6-13S-21E	Uintah	Utah
UOS #1321- 8A	Agency Draw	Fee	43-047-36374	NENE	8-13S-21E	Uintah	Utah
Mustang #1220-35I	Agency Draw	Fee	43-047-37287	NESE	35-12S-20E	Uintah	Utah
Mustang #1320-10I	Agency Draw	Fee	43-047-37291	NESE	10-13S-20E	Uintah	Utah
Mustang #1320-11H	Agency Draw	Fee	43-047-37295	SENE	11-13S-20E	Uintah	Utah
Mustang #1320-24E	Agency Draw	Fee	43-047-37298	SWNW	24-13S-20E	Uintah	Utah
Mustang #1320-14P	Agency Draw	Fee	43-047-37288	SESE	14-13S-20E	Uintah	Utah
Mustang #1320-13D	Agency Draw	Fee	43-047-37289	NWNW	13-13S-20E	Uintah	Utah
Mustang #1320-14D	Agency Draw	Fee	43-047-37296	NWNW	14-13S-20E	Uintah	Utah

CONFIDENTIAL

FORM 8

**STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING**

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG\***

<b>1a. TYPE OF WELL</b> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____		<b>5. LEASE DESIGNATION AND SERIAL NO.</b> <b>FEE</b>
<b>1b. TYPE OF COMPLETION</b> NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</b>  <b>7. UNIT AGREEMENT NAME</b>  <b>8. FARM OR LEASE NAME, WELL NO.</b> <b>Mustang 1320-14D</b>
<b>2. NAME OF OPERATOR</b> <b>Slate River Resources LLC</b>		<b>9. API NO.</b> <b>43-047-37296</b>
<b>3. ADDRESS AND TELEPHONE NO.</b> <b>418 E. Main St. Suite 18, Vernal, UT 84078      435-781-1870</b>		<b>10. FIELD AND POOL OR WILDCAT</b> <b>WILDCAT</b>
<b>4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements)</b> <b>At Surface      570' FNL 589' FWL</b>  At top prod. Interval reported below  At total depth		<b>11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA</b> <b>NWNW SEC 14, T13S R20E SL&amp;M</b>  <b>12. COUNTY</b> <b>UINTAH</b>
		<b>13. STATE</b> <b>UTAH</b>

<b>14. DATE SPUNNED</b> 3/10/06	<b>15. DATE T.D. REACHED</b> 3/30/06	<b>16. DATE COMPL. (Ready to prod. or Plug &amp; / Abandon)</b> Abandon <input type="checkbox"/> Ready to Prod <input checked="" type="checkbox"/> <b>9-11-06</b>		<b>17. ELEVATIONS (DF, RKB, RT, GR, ETC.)</b> <b>6076 GL, 6091.6 KB</b>
<b>18. TOTAL DEPTH, MD &amp; TVD</b> <b>8384 MD    8384 TVD</b>		<b>19. PLUG, BACK T.D., MD &amp; TVD</b> <b>8318 TD    8318 MD    8318 TVD</b>	<b>20. IF MULTIPLE COMPL., HOW MANY</b> <b>4</b>	<b>21. DEPTH BRIDGE PLUG SET: TVD</b>
<b>24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)</b> <b>Mesaverde 6300' - 6466', Sego 7028 - 7030, Castlegate 7078 - 7126, Blackhawk 7492' - 7575', Mancos B 8066' - 8127</b>				<b>25. WAS DIRECTIONAL SURVEY MADE</b> <b>NO</b>
<b>26. TYPE ELECTRIC AND OTHER LOGS RUN</b> <b>HRI/SD/DSN, CBL/CCL/VDL</b>			<b>27. WAS WELL CORED</b> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Submit analysts) DRILL STEM TEST YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (See reverse side)	

23. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8" H-40	32.30#	2029	12-1/4"	595 sxs "G"	None
4-1/2" M-80	11.60#	8384	7-7/8"	250 sxs Lead Prem, 920 sxs Tail "50/50 TOC @ 590'	None
29. LINER RECORD					
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	
30. TUBING RECORD					
SIZE	DEPTH SET (MD)	PACKER SET (MD)			
2-3/8"	7513				

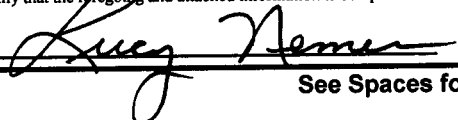
31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
INTERVAL	SIZE      NUMBER	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
SEE ATTACHED  mvmcs		8122 - 8066	148,649# 20/40 Sand ATR 37.7 BPM, ATP 4055 PSI
		7492 - 7575	73,727# 20/40 Sand ATR 28.6 BPM, ATP 3369 PSI
		7028 - 7126	119,300# 20/40 Sand ATR 29.1 BPM, ATP 3015 PSI
		6300 - 6466	128,500# 20/40 Sand ATR 43.2 BPM, ATP 3560 PSI-Screend out

33.* PRODUCTION							
<b>DATE FIRST PRODUCTION</b> 9/12/07		<b>PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)</b> Flowing/Intermitter				<b>WELL STATUS (Producing or shut-in)</b> Producing	
<b>DATE OF TEST</b> 9/23/06	<b>HOURS TESTED</b> 24	<b>CHOKE SIZE</b> 18/64	<b>PROD'N. FOR TEST PERIOD</b> →	<b>OIL--BBL.</b> 8	<b>GAS--MCF.</b> 306	<b>WATER--BBL.</b> 13	<b>GAS-OIL RATIO</b> 38:1
<b>FLOW. TUBING PRESS.</b> 331	<b>CASING PRESSURE</b> 1280	<b>CALCULATED 24-HOUR RATE</b> →	<b>OIL--BBL.</b> 8	<b>GAS--MCF.</b> 306	<b>WATER--BBL.</b> 13	<b>OIL GRAVITY-API (CORR.)</b>	
<b>34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)</b> Sold						<b>TEST WITNESSED BY</b> Clark Batty	

**35. LIST OF ATTACHMENTS**  
**Perforation Record**

**36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records**

SIGNED


TITLE **Sr. Operations Specialist**DATE **2/13/2007**

See Spaces for Addition Data on Reverse Side

(3/89)

RECEIVED

FEB 15 2007

DIV. OF OIL, GAS &amp; MINING

## INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

ITEMS 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

37. SUMMARY OF POROUS ZONES: Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.				38. GEOLOGIC MARKERS		
Formation	Top	Bottom	Description, contents, etc.	Name	Top	
					Meas. Depth	True Vert. Depth
Wasatch	Unknown		Shale, Sandstone			
Mesaverde	4780		Shale, Sandstone			
Castlegate	7070		Shale, Sandstone			
Mancos	7368		Shale, Sandstone			
Blackhawk	7475		Shale, Sandstone			
Mancos B	7981		Sandstone, Shale			
CONFIDENTIAL						

Mesaverde and Mancos are comingled. Test on 9/20/05 included both intervals.

# CONFIDENTIAL

Attachment to Completion Report

## Mustang 1320-14D

### 27. PERFORATION RECORD

3-1/8" Barrel Gun 120 Deg Phasing .35 perf Diameter

<u>Formation</u>	<u>Interval</u>	<u>No Holes</u>		<u>Status</u>
Mancos B	8122 - 8127	15	3 SPF	Open
Mancos B	8066 - 8070	12	3 SPF	Open
Blackhawk	7570 - 7575	15	3 SPF	Open
Blackhawk	7522 - 7525	9	3 SPF	Open
Blackhawk	7492 - 7494	6	3 SPF	Open
Castlegate	7124 - 7126	4	2 SPF	Open
Castlegate	7078 - 7082	8	2 SPF	Open
Sego	7028 - 7030	6	3 SPF	Open
Mesaverde	6464 - 6466	6	3 SPF	Open
Mesaverde	6386 - 6389	9	3 SPF	Open
Mesaverde	6339 - 6342	9	3 SPF	Open
Mesaverde	6300 - 6303	9	3 SPF	Open
<b>Total</b>		<b>108</b>		

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. DJJ
2. CDW

**X - Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

**2/21/2008**

**FROM: (Old Operator):**

N2725-Slate River Resources, LLC  
 418 E Main, Suite 18  
 Vernal, UT 84078

Phone: 1 (435) 781-1874

**TO: ( New Operator):**

N1675-Mustang Fuel Corporation  
 13439 Broadway Ext.  
 Oklahoma City, OK 73114-2202

Phone: 1 (405) 748-9487

**CA No.**

**Unit:**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 3/28/2008
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 3/18/2008
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 4/28/2008
- a. Is the new operator registered in the State of Utah: Yes Business Number: 1467562-0143
- b. If **NO**, the operator was contacted on: \_\_\_\_\_
- a. (R649-9-2) Waste Management Plan has been received on: \_\_\_\_\_ Requested
- b. Inspections of LA PA state/fee well sites complete on: n/a
- c. Reports current for Production/Disposition & Sundries on: \_\_\_\_\_
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 4/28/2008
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 4/28/2008
- Bond information entered in RBDMS on: 4/28/2008
- Fee/State wells attached to bond in RBDMS on: 4/28/2008
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: n/a
  - Indian well(s) covered by Bond Number: n/a
  - a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 400KB7078
  - b. The **FORMER** operator has requested a release of liability from their bond on: 4/18/2008 Disposal Facilities only
- The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 4/28/2008

**COMMENTS:**

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: Mustang Fuel Corporation N1675		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 13439 Broadway Extension CITY Oklahoma City STATE OK ZIP 73114-2202		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (405) 748-9487		8. WELL NAME and NUMBER: See attached
4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached schedule of wells		9. API NUMBER: See attach
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: See attached
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 2/21/2008	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Mustang Fuel Corporation requests a change of operator from Slate River Resources, LLC to Mustang Fuel Corporation, effective February 21, 2008 for the wells and facilities listed on the attached schedule.

The bond numbers for Mustang Fuel Corporation are:  
State of Utah DOGM Bond 400KB7078  
State of Utah Bond of Lessee  
Federal Utah Statewide Bond

NAME (PLEASE PRINT) Jim Hill	TITLE Operations Manager
SIGNATURE <i>Jim Hill</i>	DATE 2/21/2008

(This space for State use only)

APPROVED 4128108  
Earlene Russell  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED  
MAR 18 2008

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: Slate River Resources, LLC <i>N2725</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 418 E. Main, Suite 18 CITY Vernal STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (435) 781-1874		8. WELL NAME and NUMBER: See attached
4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached schedule of wells		9. API NUMBER: See attach
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: See attached

COUNTY: Uintah

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>2/21/2008</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Slate River Resources, LLC requests a Change of Operator from Slate River Resources, LLC to Mustang Fuel Corporation on the wells listed on the attached schedule including a change of Operator for the AD Disposal Pit 1, AD Disposal Pit #2 and the Willow Creek Compressor facility effective 2/21/08.

NAME (PLEASE PRINT) Lucy Nemec TITLE Sr. Operations Specialist  
SIGNATURE *Lucy Nemec* DATE 3/27/2008

(This space for State use only)

APPROVED 4/28/08

*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

(5/2000)

RECEIVED

MAR 28 2008

DIV. OF OIL, GAS & MINING

[illegible]

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: MUSTANG 1320-14D	
2. NAME OF OPERATOR: MUSTANG FUEL CORPORATION	9. API NUMBER: 43047372960000	
3. ADDRESS OF OPERATOR: 418 East Main , Vernal , UT, 84078	PHONE NUMBER: 405 748-9487 Ext	9. FIELD and POOL or WILDCAT: AGENCY DRAW
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0570 FNL 0589 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 14 Township: 13.0S Range: 20.0E Meridian: S		COUNTY: UINTAH
		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <b>5/15/2015</b>	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input checked="" type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input type="text"/>
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Shut in effective 5/15/2015. Expectations are to plug well within the next 6 months.

Approved by the  
June 04, 2015  
Oil, Gas and Mining

Date: \_\_\_\_\_

By: Derek Duff

NAME (PLEASE PRINT) Angelia Duffy	PHONE NUMBER 405 748-9261	TITLE Operations Tech
SIGNATURE N/A		DATE 5/28/2015

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> MUSTANG FUEL CORPORATION		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 418 East Main , Vernal , UT, 84078		<b>8. WELL NAME and NUMBER:</b> MUSTANG 1320-14D
<b>PHONE NUMBER:</b> 405 748-9487 Ext		<b>9. API NUMBER:</b> 43047372960000
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0570 FNL 0589 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 14 Township: 13.0S Range: 20.0E Meridian: S		<b>9. FIELD and POOL or WILDCAT:</b> AGENCY DRAW
		<b>COUNTY:</b> UINTAH
		<b>STATE:</b> UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>8/31/2015</b>	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"><input type="checkbox"/> ACIDIZE</div> <div style="width: 33%;"><input type="checkbox"/> ALTER CASING</div> <div style="width: 33%;"><input type="checkbox"/> CASING REPAIR</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE TUBING</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE WELL NAME</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE WELL STATUS</div> <div style="width: 33%;"><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</div> <div style="width: 33%;"><input type="checkbox"/> CONVERT WELL TYPE</div> <div style="width: 33%;"><input type="checkbox"/> DEEPEN</div> <div style="width: 33%;"><input type="checkbox"/> FRACTURE TREAT</div> <div style="width: 33%;"><input type="checkbox"/> NEW CONSTRUCTION</div> <div style="width: 33%;"><input type="checkbox"/> OPERATOR CHANGE</div> <div style="width: 33%;"><input checked="" type="checkbox"/> PLUG AND ABANDON</div> <div style="width: 33%;"><input type="checkbox"/> PLUG BACK</div> <div style="width: 33%;"><input type="checkbox"/> PRODUCTION START OR RESUME</div> <div style="width: 33%;"><input type="checkbox"/> RECLAMATION OF WELL SITE</div> <div style="width: 33%;"><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</div> <div style="width: 33%;"><input type="checkbox"/> REPERFORATE CURRENT FORMATION</div> <div style="width: 33%;"><input type="checkbox"/> SIDETRACK TO REPAIR WELL</div> <div style="width: 33%;"><input type="checkbox"/> TEMPORARY ABANDON</div> <div style="width: 33%;"><input type="checkbox"/> TUBING REPAIR</div> <div style="width: 33%;"><input type="checkbox"/> VENT OR FLARE</div> <div style="width: 33%;"><input type="checkbox"/> WATER DISPOSAL</div> <div style="width: 33%;"><input type="checkbox"/> WATER SHUTOFF</div> <div style="width: 33%;"><input type="checkbox"/> SI TA STATUS EXTENSION</div> <div style="width: 33%;"><input type="checkbox"/> APD EXTENSION</div> <div style="width: 33%;"><input type="checkbox"/> WILDCAT WELL DETERMINATION</div> <div style="width: 33%;"><input type="checkbox"/> OTHER</div> </div>
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	

OTHER: 

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

1. MIRU Peak Well Service, ND WH, NU BOP. Unset TAC and POOH w/ tbq. 2. RIH w/ CIBP to +/- 7000' (Top of Castlegate). Set CIBP and spot 10 sks Cement on plug 3. PU workstring and RIH to +/- 6300'. Set the following plugs: a. 20 sks plug at Top of Mesaverde perms (+/- 6300-6100') b. 25 sks plug at Top of Wasatch (+/- 2100-2400') c. Cut casing at +/- 500' and spot 40 sks over cut d. Fill surface w/ 60 sks from 100-0'. 4. ND BOP Cut off wellhead. Install P&A Marker w/ cement. RDMO Peak Well Service. Cut Anchors.

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date: September 17, 2015

By: 

**Please Review Attached Conditions of Approval**

<b>NAME (PLEASE PRINT)</b> Angelia Duffy	<b>PHONE NUMBER</b> 405 748-9261	<b>TITLE</b> Operations Tech
<b>SIGNATURE</b> N/A	<b>DATE</b> 8/20/2015	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Sundry Conditions of Approval Well Number 43047372960000**

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. Add Plug #3: A 100' plug ( $\pm 10$  sx) shall be balanced from  $\pm 4850'$  to  $4750'$ . This will isolate the Mesaverde formation.**
- 3. Add Plug #4: A 100' plug ( $\pm 10$  sx) shall be balanced from  $\pm 3500'$  to  $3400'$ . This will isolate the base of moderately saline groundwater as required by R649-3-24-3.3.**
- 4. All balanced plugs shall be tagged to ensure they are at the depths specified in the procedure.**
- 5. All annuli shall be cemented from a minimum depth of 100' to the surface.**
- 6. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.**
- 7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.**
- 8. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.**
- 9. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.**

# Wellbore Diagram

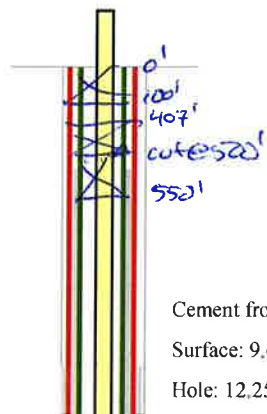
r263

API Well No: 43-047-37296-00-00 Permit No: Well Name/No: MUSTANG 1320-14D  
Company Name: MUSTANG FUEL CORPORATION  
Location: Sec: 14 T: 13S R: 20E Spot: NWNW  
Coordinates: X: 615463 Y: 4394456  
Field Name: AGENCY DRAW  
County Name: UINTAH

## String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (f/cf)
HOL1	2029	12.25			
SURF	2029	9.625	32.3	2029	2.263
HOL2	8384	7.875			
PROD	8384	4.5	11.6	8384	11.459
T1	7513	2.375			

9 5/8" x 4 1/2" → 3.017



Plug #7  
 $(600 \times (1.15) (2.263)) = 156'$   
TOC @ 407' ✓ OK

Plug #6  
 $50' / (1.15) (11.459) = 4.5K$   
 $9 5/8" (362) (1.15) (2.263) = 93'$   
TOC @ 407' ✓ OK

Cement from 2029 ft.

Surface: 9.625 in. @ 2029 ft.

Hole: 12.25 in. @ 2029 ft.

## Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	8384	590	PC	920
PROD	8384	590	PM	250
SURF	2029		G	595

Plug #5  
 $(255 \times (1.15) (11.459)) = 329'$   
TOC @ 2100' ✓ OK

\* Add Plug #4  
 $105 \times (100' \text{ min}) \text{ fr. } 3500' \text{ to } 3400'$

## Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
6300	8066			

\* Add Plug #3  
 $105 \times (100' \text{ min}) \text{ fr. } 4850' \text{ to } 4750'$

Plug #2  
 $(205 \times (1.15) (11.459)) = 262'$   
TOC @ 6100' ✓ OK

## Formation Information

Formation	Depth
BMSW	3400
MVRD	4780
CSLGT	7070
MNCS	7368
BLKHK	7475
MNCSB	7981

Cement from 8384 ft. to 590 ft.

Tubing: 2.375 in. @ 7513 ft.

Production: 4.5 in. @ 8384 ft.

Hole: 7.875 in. @ 8384 ft.

TD: 8384 TVD: 8384 PBD: 8318

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> MUSTANG FUEL CORPORATION		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 418 East Main , Vernal , UT, 84078		<b>8. WELL NAME and NUMBER:</b> MUSTANG 1320-14D
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0570 FNL 0589 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 14 Township: 13.0S Range: 20.0E Meridian: S		<b>9. API NUMBER:</b> 43047372960000
<b>PHONE NUMBER:</b> 405 748-9487 Ext		<b>9. FIELD and POOL or WILDCAT:</b> AGENCY DRAW
<b>COUNTY:</b> UINTAH		<b>STATE:</b> UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input checked="" type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION	OTHER: <input style="width: 100px;" type="text"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <b>9/23/2015</b>				
<input type="checkbox"/> SPUD REPORT Date of Spud:				
<input type="checkbox"/> DRILLING REPORT Report Date:				

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 MIRU, bleed down well, ND WH, NU BOP's, LD 247 jts 2 3/8" tbg, killing well as needed, PU 3 7/8" bit & bit sub, PU 60 jts of 2 3/8" work string, continue PU work string, run to 7055', POOH, LD bit & PU 4 1/2" CIBP, run in & set plug @ 6990', spot 10 sx on top, LD 24 jts, EOT @ 6290', spot 20 sx, balance plug, pull 30 jts, reverse out, RIH & tag cmt @ 6116', LD to 4840' EOT, press test csg to 1500# f/ 15 mins, spot 10 sx, pull plug to 3511' EOT, spot 10 sx, balance plug, pull to 2402' EOT, spot 25 sx, balance plug, LD all 2 3/8", cut csg head off, fill surf w/ 75 sx, weld on marker, back fill, RD & release rig, well plugged 9-23-15.

Accepted by the  
Utah Division of  
Oil, Gas and Mining

**FOR RECORD ONLY**

October 28, 2015

<b>NAME (PLEASE PRINT)</b> Angelia Duffy	<b>PHONE NUMBER</b> 405 748-9261	<b>TITLE</b> Operations Tech
<b>SIGNATURE</b> N/A	<b>DATE</b> 10/28/2015	